COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

STATE OF MICHIGAN

FISCAL YEAR ENDED SEPTEMBER 30, 1989

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James J. Blanchard, Governor

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STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JAMES J. BLANCHARD
GOVERNOR

March 13, 1990

Members of the Legislature and
Citizens of the State of Michigan:

Fiscal integrity has been the cornerstone of our state's resurgence. It allows us to make the investments necessary to prepare our citizens for a new decade. Seven consecutive honestly balanced budgets have saved Michigan taxpayers more than $1 billion in borrowing costs since 1983 and afforded us the opportunity to accumulate the third largest Budget Stabilization Fund in the nation.

As we reach for the future, we will continue to manage our money wisely and maintain our absolute commitment to fiscal integrity while making new investments in education, public safety, the environment and innovative solutions to the problems facing Michigan citizens.

The fiscal integrity of our state is detailed in this Comprehensive Annual Financial Report. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is presented to Michigan's Legislature, its citizens and the financial community to foster an increased understanding of Michigan's fiscal strength.

The auditor's opinion is again unqualified, demonstrating our continued commmitment to follow accounting and financial reporting practices that meet the nation's highest and most stringent professional accounting standards.

This report attests to the continued integrity of Michigan's financial practices.

Sincerely,

James J. Blanchard

James J. Blanchard
Governor

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Statements and schedules are truncated to thousands of dollars. Because of this, they may not add to the totals.

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STATE OF MICHIGAN

JAMES J. BLANCHARD, Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

P.O. BOX 30026, LANSING, MICHIGAN 48909
SHELBY P. SOLOMON, Director

The Honorable James J. Blanchard, Governor
Members of the Legislature
People of the State of Michigan

In compliance with Article IX, Section 21, of the State of Michigan Constitution and Michigan Public Act 431 of 1984, I am very pleased to submit the Comprehensive Annual Financial Report of the State of Michigan for the fiscal year ended September 30, 1989.

INTRODUCTION TO THE REPORT

Responsibility: This report is prepared by the Department of Management and Budget, Office of Accounting, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the State. All disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

Compliance with Accounting Standards: As required by statute, the financial statements are prepared in accordance with generally accepted accounting principles (GAAP). We have also voluntarily chosen to follow the recommendations of the Government Finance Officers Association for the contents of government financial reports.

Method of Presentation: The term "Comprehensive Annual Financial Report" is used to describe all of the data presented in this report. The report is divided into three major sections: introductory, financial, and statistical. The introductory section includes this letter, the State's organization chart, and the list of principal officials. The financial section includes: the "General Purpose Financial Statements," which combine funds and component units with similar accounting objectives in columns of fund types; the auditor's opinion on the General Purpose Financial Statements; and, the supplemental financial data section, which includes the combining financial statements and schedules. The statistical section includes such items as trend information, information on debt levels, and other selected economic and statistical data.

Reporting Entity: This report includes all the funds and account groups for all activities of the State government, as required by GAAP. Basically, this includes the nineteen Executive Branch departments, the Legislature, and the State portion of the court system. It also includes autonomous entities which are not accounted for in the central accounting system but over which the State exercises, or has the ability to exercise, significant oversight. These autonomous entities are referred to as "component units" and they include the following organizations: State Building Authority, Michigan Higher Education Facilities Authority, Michigan Family Farm Development Authority, Mackinac Bridge Authority, Michigan Unemployment Compensation Fund, Michigan State Hospital Finance Authority, Michigan Education Trust, Michigan Higher Education Student Loan Authority, Michigan Higher Education Assistance Authority, Mackinac Island State Park Commission, Michigan Strategic Fund, and Michigan State Housing Development Authority. In this report, the statements for these component units are "blended" with the statements for the funds in the State's accounting system. Because many readers are also interested in information which excludes component units, we have presented details in the combining statements, schedules, and notes which permit the segregation of those amounts.

Other organizations which do not meet the GAAP criteria for inclusion and which are, therefore, not included in this report are the several public institutions of higher education and the portions of the court system which are considered to be local units of government. An organization not currently includable in this report, but that is expected to be included in next year's report is the Accident Fund. In recent years, the State has not had the ability to exercise oversight over this organization, which is a provider of workers' compensation insurance. Litigation between the State and the Accident Fund that had precluded the State from exercising control over the fund has been recently resolved in the State's favor.

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ECONOMIC CONDITION AND OUTLOOK

The State's financial condition remains strong. We have again balanced our budgets while maintaining full compliance with generally accepted accounting principles. Our improved credit ratings remain among the highest in the nation and this benefits both the State and our local units of government. Our Budget Stabilization "Rainy Day" fund is one of the healthiest in the nation.

The Michigan economy is continuing to diversify from its traditional dominance by the manufacturing sector. Wage and salary employment levels have increased by nearly 700,000 jobs since 1982. Of the 65,200 net new wage and salary jobs created in 1989, the service sector contributed 28,900 jobs; and wholesale and retail trade another 26,900. These non-manufacturing increases more than offset a net decline of 3,900 jobs in the manufacturing sector. Even within the manufacturing sector, non-automobile manufacturing grew enough to offset nearly half the loss of 7,200 jobs in motor vehicle production. The State's current economic forecasts indicate that by 1991, each of the three major employment sectors of manufacturing, services, and trade will provide an equal number of jobs. Because service and trade sector employment is less susceptible to the economic cycle, it is expected that the State economy and the State financial structure will be substantially more stable in the future.

In sum, the near-term economic outlook for Michigan is for continued slow and steady growth in both 1990 and 1991. Long-term, we are optimistic because we have and are continuing to strengthen the underpinnings of a sound and more diversified economic base.

MAJOR INITIATIVES AND FUTURE PROJECTS

Local School District Funding: State grants to local school districts have increased as a proportion of the State budget since 1982 and additional increases are planned. Significant additional School Aid Fund distributions are appropriated for the 1989-90 fiscal year and have been proposed in the budget for 1990-91.

While education is a top priority in the State budget and the largest single use of State tax dollars, the local school districts' budgets remain largely dependent upon local property tax revenues. Because the property tax bases of the various local districts vary greatly, significant differences in per pupil spending exist across the State, so local school funding and property tax reform continue to be major concerns.

Prison Capacity: The State suffered from a major shortage of prison cells earlier in this decade which forced the early release of many prisoners. The State undertook a major prison expansion program that is increasing the number of cells from 12,780 on October 1, 1984 to 31,319 cells by 1992. As completion of these new prisons occurs, the operating costs of the Department of Corrections grow as a proportion of the State budget. Future plans include improving alternatives to incarceration in State prisons so as to minimize costs and ensure that our expanded prison capacity is used to house the most dangerous criminals.

Environment and Recreation: The State voters approved the issuance of up to $800 million of general obligation bonds for environmental and recreational purposes in the November 1988 election. This money is being used to clean up toxic waste sites, improve the State's park system, close unsafe dumps, and improve the quality of Michigan's lakes and streams. The first bonding under this program occurred in November 1989, when $100 million of bonds were issued.

Michigan Education Trust (MET): The State took a major step in helping parents plan for and save for their childrens' higher education by establishing the Michigan Education Trust. The MET now has over 49,000 prospective students enrolled in this program which provides coverage of future tuition and fees. In the future, proposed legislative changes could broaden the program to include room and board, graduate school, and out-of-state students.

FINANCIAL INFORMATION

Internal Control Structure: The Department of Management and Budget is responsible for the overall operation of the State's central accounting and internal accounting control system. All appropriations and transactions (except for component units) are recorded in the central accounting system, but many of the essential control features, such as payment voucher preparation, have been decentralized. State statutes require each department to appoint an internal auditor and maintain adequate internal control systems. Each department is required to periodically report on the status of its internal accounting and administrative control systems and, if any material weaknesses exist, provide plans and a time schedule for addressing problem areas.

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Budgetary Reporting and Control: Public Act 431 of 1984 requires the State to adhere to GAAP in calculating fund balance for budgetary purposes. The statute also requires that the budget must provide for an ending unreserved fund balance which is not in deficit. If accounting principles change, the statute requires the State to also implement the change in its budgetary process.

The budgetary basis departs from GAAP only in ways that do not affect unreserved fund balance and that do not impact most revenue and expenditure line items. Appropriations for nearly all line items, therefore, are made on a basis consistent with GAAP which makes it possible for the State to use the central accounting system for both budgetary control and financial reporting. Two departures are the use of encumbrances, which GAAP does not require, and the funding of capital lease commitments on a "pay as you go" basis, rather than at lease inception. Compliance with the final updated budget for the annually budgeted operating funds is demonstrated in the budget to actual comparative statements, notes, and related supplementary schedules in this report.

Financial Highlights - General Governmental Functions: For the purpose of the following two tables and related discussions in this letter, the "General Governmental Functions" are considered to be the activities of the State's General and special revenue funds, excluding component units. These are the State funds most traditionally thought of as being the normal activities of the State:

Revenues (in millions):

Revenue Source	1988-89 Amount	Percent of Total	Change From 1987-88	Percentage Change
Personal Income Tax.....	$ 3,766.2	24%	$ 192.4	5.4%
Sales Tax.....	2,615.2	17	140.3	5.7
Single Business Tax.....	1,845.4	12	16.7	.9
Other Taxes.....	2,624.1	17	215.9	9.0
Federal Revenues.....	3,861.8	24	147.0	4.0
Other Revenues.....	947.3	6	93.0	10.9
Total.....	$15,660.0	100%	$ 805.3	

Not included in the above table are "Other financing sources," which include resources provided by operating transfers ($620.5 million) from other fund types and component units and capital lease fixed asset acquisitions ($57.2 million). The most significant sources of transfers are from the State Lottery ($485.0 million) and Liquor Purchases Revolving ($63.4 million) Funds.

The personal income tax rate was unchanged at 4.6%. Federal tax reform as well as the State's strong employment levels, however, had the effect of increasing the income tax base and increasing current year revenues. To offset the effect of federal tax reform, State legislation was passed in late 1987 which, primarily by increasing personal exemptions, is phasing in a rollback through 1990. The net effect of these changes on this year's revenue has been estimated at $127.3 million.

Personal income taxes shown above are net of property tax and other credits which reduced revenues by approximately $766.7 million, which is approximately $55.1 million more than the prior year. The property tax credit component is growing because of rising property values (and so property taxes) in relation to household income.

The State's sales and use tax rate remained at the 4% rate, with no major changes in tax base during the calendar year.

The single business tax is a value-added type tax that was adopted in 1975 to replace eight previous business taxes. It is somewhat more volatile than the personal income and sales taxes because of profit sensitive features in the statute. The relative weakness in this year's revenue is somewhat overstated because of three nonrecurring factors related to how insurance company taxes are treated, the resolution of certain litigation, and a change in how certain small businesses' taxes are calculated. After adjusting for these factors, single business taxes rose at an adjusted rate of 3.5 percent.

The change in "Other taxes" reflects increases in a number of areas, including: use taxes ($56.9 million), intangibles taxes ($38.3 million), motor vehicle taxes ($33.9 million), and insurance company taxes ($32.7 million).

Federal revenue increases are primarily attributable to growth in revenues from the federal Department of Health and Human Services ($112.8 million). Health and welfare programs account for approximately 67% of federal revenues.

Other revenues include local ($141.1 million), services ($105.6 million), licenses and permits ($251.8 million), investment income ($100.6 million), child support recoveries ($138.3 million), and other miscellaneous sources ($209.9 million).

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Expenditures (in millions):

Current, Capital Outlay, and Intergovernmental Expenditures by Function (GAAP Basis)	1988-89 Amount	Percent of Total	Change From 1987-88	Percent Change
Current:				
General government	$ 742.9	4.6%	$ 18.3	2.5%
Education	4,620.3	28.9	72.3	1.6
Health and welfare	5,043.1	31.6	258.4	5.4
Public safety & corrections	879.1	5.5	104.8	13.5
Conservation, recreation, & agriculture	297.7	1.9	6.1	2.1
Labor, commerce & regulatory	610.3	3.8	13.6	2.3
Mental health	1,164.3	7.3	64.0	5.8
Transportation	1,031.7	6.4	73.5	7.7
Capital outlay (including highways)	521.9	3.3	(49.6)	(8.7)
Intergovernmental - revenue sharing	1,021.1	6.4	57.8	6.0
Debt service - capital lease payments	43.3	.3	8.1	23.2
Total Current, Capital Outlay, and Intergovernmental	$15,976.0	100%	$ 627.7	

General government expenditures include operations of the legislative and judicial branches and the executive branch functions within the Departments of Management and Budget, Attorney General, Civil Rights, Civil Service, State, and Treasury.

The education expenditure levels reflect the State's continued emphasis in its aid to both local school districts and institutions of higher education. School Aid Fund expenditures for grants to local school districts and for contributions to the Public School Employees' Retirement Fund were $2,691.7 million. General Fund grants to public universities increased $27.3 million (2.2%).

Health and welfare expenditures include operations of the Departments of Social Services and Public Health. Average welfare caseloads decreased slightly during the year and expenditure increases are primarily attributable to higher costs. Over half of the funding for these programs is from restricted revenue sources, including federal grants.

Corrections expenditures are increasing as new correctional facilities are being opened and capacity increases.

The labor, commerce, and regulatory expenditures reflect the operations of the Departments of Licensing and Regulation, Labor, and Commerce.

Funding for the State's Mental Health programs has been increased in recent years for both State institutions and community based programs.

Transportation expenditures increased $52.8 million in the State Trunkline Fund and $15.6 million in the Michigan Transportation Fund.

Capital outlay expenditures primarily reflect State Trunkline Fund highway expenditures which amounted to $427.2 million, a decrease of $32.2 million.

The changes in revenue sharing distributions to local units are related to changes in State tax collections.

General Fund Unreserved Fund Balance: The General Fund's unreserved fund balance at September 30, 1989 was $61.1 million, a $39.6 million increase from the prior year. General Fund revenues and other financing sources (including restricted sources) totalled $12,394.6 million and expenditures and other uses totalled $12,261.0 million. Fund balance reserves in the General Fund, which include budgetary carry-forwards and reserves for long-term assets and loan programs, increased from $650.8 million to $752.1 million.

Revenue Limits and Spending Requirements: State revenues under the Constitution are limited to a percentage of the State's personal income. The State Constitution requires that spending to local units be maintained at a level of 41.61% of total State spending. The final calculations to determine compliance with these requirements for this fiscal year are not completed until after this report is issued; however, the State is projected to have complied with both requirements.

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Proprietary Fund Operations: State control of the wholesale distribution of alcoholic beverages through the Liquor Purchase Revolving Fund resulted in net income of $48.0 million which, pursuant to statute, was transferred to the General Fund. Liquor sales and profits are on a downward trend which is expected to continue as a result of decreasing consumption.

The State Sponsored Group Insurance Fund, which accounts for the State's self insurance for employee benefit programs, maintains its strong financial position. Significant rate reductions were implemented in 1987-88 and 1988-89 in order to return savings accumulated in prior years to the various operating funds as well as restricted financing sources.

Overall State Lottery Fund ticket sales fell by 3.8% from the prior year as gross revenues dropped $27.7 million to $1,220.7 million. This resulted in net income from lottery operations (after prizes and other costs) decreasing $4.5 million to $484.0 million, all of which was transferred to the School Aid Fund. This decrease is primarily attributed to the relatively high number of large "Super-Lotto" jackpots in the 1987-88 year.

Pension Plans: The State Constitution requires the State to provide current funding of plan benefits and statutes provide for the amortization of unfunded prior service costs. In four of the six plans, the statutes contain an additional safeguard whereby a shortfall in the legally required contributions will be corrected in the second succeeding fiscal year. As a result of these measures, the State's pension systems remain relatively strong and the amount of unfunded obligations is minimized.

The net assets (for valuation purposes) of State pension funds increased by $1.5 billion to $17.9 billion at September 30, 1989. The latest actuarial valuation of the two largest funds, the Public School Employees' Retirement System (PSERS) and the State Employees' Retirement System (SERS), were prepared as of September 30, 1989. The PSERS had net assets (for valuation purposes) of $13,273.0 million versus a pension benefit obligation of $16,769.2 million at September 30, 1989. The SERS had net assets (for valuation purposes) of $3,957.6 million versus a pension benefit obligation of $3,785.9 million at September 30, 1989.

Component Units' Operations: The State Building Authority, which is reflected in the special revenue, capital projects, and debt service fund types, has financed several major university and State building projects. This year, $19.2 million of bonds were used to finance major State equipment purchases, including the buy-out of certain equipment previously leased. Bonds outstanding total $993.7 million, with $213.8 million currently available in debt service funds for debt redemption. The Authority is also financing several new correctional facilities as well as projects to benefit institutions of higher education.

The Michigan Unemployment Compensation Fund, which is reported as an expendable trust fund, ended the year with a fund balance of $569.6 million, an increase of $235.5 million. Revenues during the year were relatively constant at $1,166.5 million while expenditures decreased 12.9% to $931.1 million.

The largest proprietary type component units are the Michigan State Housing Development and Hospital Finance Authorities. These authorities, which help finance various housing and hospital financing activities, have bonds payable of $1,996.6 million and $1,506.9 million outstanding, respectively. The Michigan Strategic Fund, which is also reported in this fund type, administers several programs designed to stimulate business and job growth.

The Michigan Education Trust (MET) is a new program which is designed to provide future tuition at State public colleges and universities. The MET offered its first open enrollment period in November, 1988 and over 40,000 children enrolled. A second open enrollment ended November 30, 1989, increasing total enrollment to 49,273. As of September 30, 1989, the Trust has $287.3 million in assets and actuarial reports show that it is actuarially sound.

Michigan Municipal Bond Authority: Created during the 1985-86 fiscal year, the Michigan Municipal Bond Authority assists hundreds of local units of government and school districts by reducing their short-term and long-term borrowing costs. The Authority pools the borrowing needs of various local units, resulting in significant savings to them. Short-term financing (notes) of $200.9 million and long-term financing (bonds) of $295.0 million were issued during the fiscal year; loans outstanding to local units at September 30, 1989 total $578.3 million. Beginning with the upcoming fiscal year, the Authority will assume responsibility for the State Water Pollution Control Loan Fund, which will make loans to local units of government for the purpose of improving local pollution control systems.

Debt Management: The State's level of general obligation debt continued to decrease, falling from $573.5 million as of September 30, 1976 to the $106.4 million currently outstanding. Revenue dedicated bonded debt, which is primarily transportation related, decreased by $17.3 million to $388.0 million during 1988-89, as no new bonds were issued. The State's credit ratings on its general obligation bonds were increased to AA by Standard and Poor's and are rated at A1 by Moody's Investors Service.

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In the November, 1988 general election, the voters approved a proposed $800 million in additional general obligation bonding for environmental and recreational programs. Subsequent to September 30, 1989, $100 million of such bonds were issued. The proceeds will be used for waste management and toxic waste clean-up, to provide initial funding for the State Water Pollution Control Loan Fund, to make a grant to the multistate Great Lakes Improvement Fund, and for financing State park improvements.

Cash Management: The State Treasurer maintains the State's common cash pool, which is used by most State funds for short-term investment and to provide centralized control over disbursements. The total amount of pooled cash, which is primarily invested in prime commercial paper, amounted to $2.2 billion at September 30, 1989.

The State's cash flow requirements are greatest in the earlier part of the fiscal year and short-term notes have, in the past, been issued to provide additional financing. For the third year in a row, however, short-term borrowings were not needed. This improved cash position is largely the result of funding GAAP departures which existed in prior years.

Risk Management: The State's risk management division was established within the Department of Management and Budget in 1987 to improve the State's risk control policies and procedures. The division activities include analysis of and control over insurance coverage and risk exposure and the planning and implementing of a statewide safety and health policy and program. All types of risk and insurance coverage are currently under review and State practices will likely change in the future. Currently, however, the State is uninsured for many types of general liability and property losses. Beginning with the 1989-90 fiscal year, an internal service fund is being established to account for certain risk management activities.

OTHER INFORMATION

Audits: The principal auditor of the State's reporting entity is the legislative Office of the Auditor General. Their examination was conducted in accordance with generally accepted auditing standards (GAAS), and their opinion precedes the General Purpose Financial Statements. The accounting firm of Deloitte & Touche has reviewed the General Purpose Financial Statements in accordance with standards established by the American Institute of Certified Public Accountants and their review letter also precedes these statements.

In addition to the annual audit of the State's General Purpose Financial Statements, the Office of the Auditor General performs periodic financial and expanded scope audits of the various State agencies. Outside accounting firms are also frequently used, particularly for the audits of separately issued component unit financial statements, such as those for the major financing authorities and the Michigan Unemployment Compensation Fund. The Auditor General, as the State's principal auditor, also has primary responsibility for federal Single Audit Act coverage and this work is generally reported at the department or authority level.

Certificate of Achievement: We are proud to announce that the Government Finance Officers Association of the United States and Canada (GFOA) again awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Michigan for its Comprehensive Annual Financial Report for the year ended September 30, 1988. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements and we are submitting it to the GFOA for their consideration for another certificate.

Acknowledgements: I wish to express my appreciation to the many people whose dedicated efforts made possible the preparation of this report. I believe their combined efforts have produced a report that will enable government decision makers and concerned citizens to better understand and evaluate the State's financial condition.

Very truly yours,

Shelby P. Solomon
Director

March 13, 1990

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1988

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

20236734432

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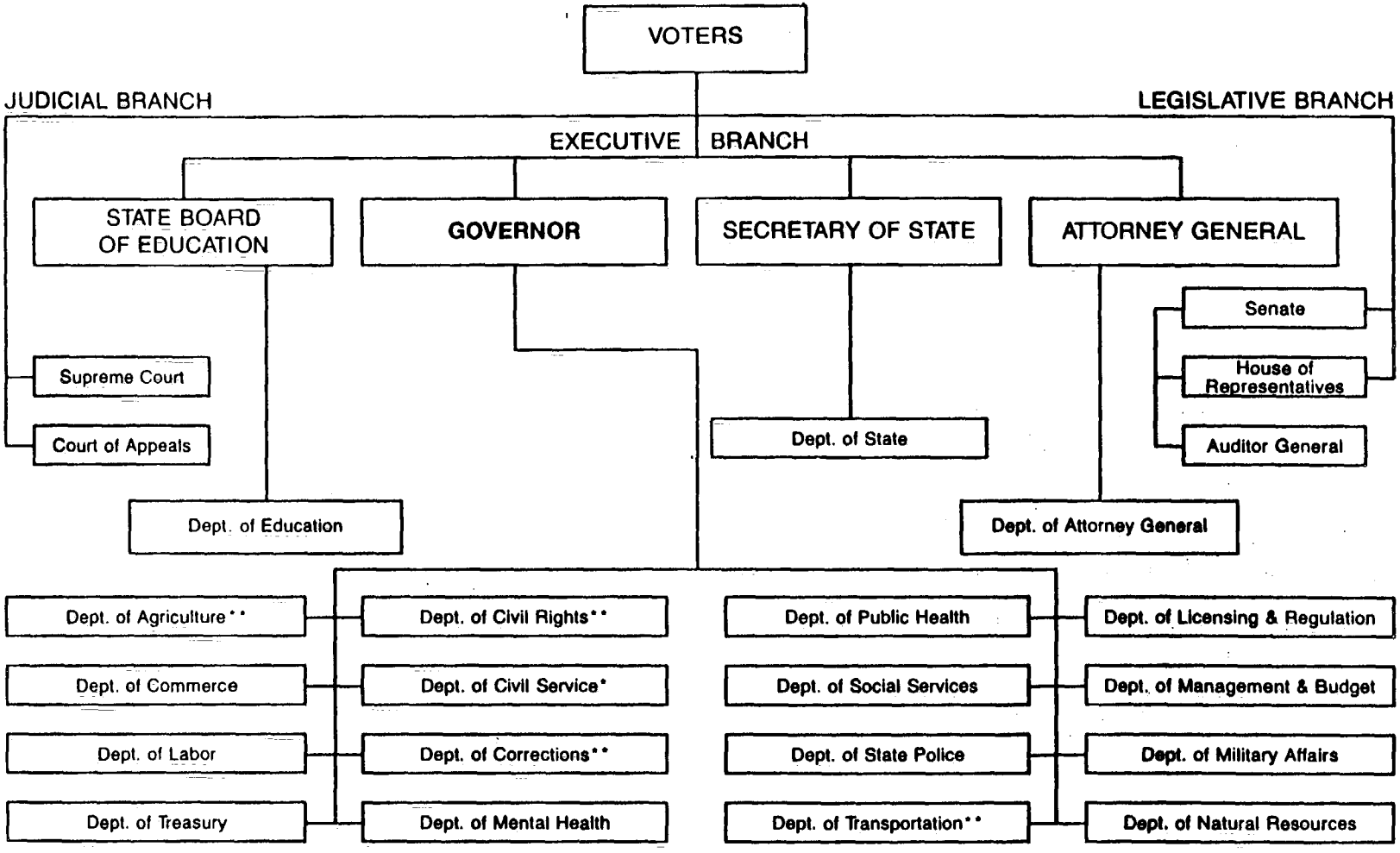
STATE OF MICHIGAN

Organizational Structure



*Have Commission appointed by Governor

**Have Commission appointed by Governor, confirmed by Senate

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STATE OF MICHIGAN

PRINCIPAL STATE OFFICIALS

JUDICIAL BRANCH

Supreme Court Justices
Honorable Dorothy Comstock Riley, Chief Justice
Honorable Charles L. Levin, Associate Justice
Honorable James H. Brickley, Associate Justice
Honorable Michael F. Cavanagh, Associate Justice
Honorable Patricia J. Boyle, Associate Justice
Honorable Dennis W. Archer, Associate Justice
Honorable Robert P. Griffin, Associate Justice

LEGISLATIVE BRANCH

Honorable Martha W. Griffiths
President of the Senate

Honorable Lewis N. Dodak
Speaker of the House of Representatives

Thomas H. McTavish
Legislative Auditor General

EXECUTIVE BRANCH

Honorable James J. Blanchard, Governor

Honorable Frank J. Kelley, Attorney General

Honorable Richard H. Austin, Secretary of State

State Board of Education
- Honorable James J. Blanchard (Ex Officio)
- Honorable Dorothy Beardmore
- Honorable Barbara Dumouchelle
- Honorable Rollie Hopgood
- Honorable Cherry H. Jacobus
- Honorable Marilyn F. Lundy
- Honorable Barbara Roberts Mason
- Honorable Annetta Miller
- Honorable Gumecindo Salas

Donald L. Bemis, Superintendent of Public Instruction

Michigan Commission of Agriculture
- Elwood Kirkpatrick
- Vernon L. Kretzschmer
- George A. McManus, Jr.
- Rita M. Reid
- S. Leon Whitney

Robert L. Mitchell, Director, Department of Agriculture

Civil Rights Commission
- Sondra Lynn Berlin
- Beverly Clark
- Eva Evans
- Dorothy Haener
- Michael C. Hidalgo
- Rev. William Holly
- Benny N. Napoleon
- Philip Van Dam

John Roy Castillo, Director, Dept. of Civil Rights

Civil Service Commission
- Laurence B. Deitch
- Walter R. Greene
- Patricia B. Johnson
- Alan A. May

Martha Bibbs, Director, Dept. of Civil Service

Larry L. Meyer, Director, Department of Commerce

Corrections Commission
- Robert S. Axford
- Desiree Cooper
- Thomas K. Eardley, Jr.
- James H. Lincoln
- Duane L. Waters

Robert Brown, Jr., Director, Department of Corrections

Elizabeth P Howe, Director, Department of Labor

Raymond W. Hood, Sr., Director, Department of Licensing and Regulation

Shelby P. Solomon, Director, Department of Management and Budget

Thomas D. Watkins, Jr., Director, Department of Mental Health

Major Gen. Vernon J. Andrews, Director, Department of Military Affairs

Natural Resources Commission
- Thomas J. Anderson
- Marlene J. Fluharty
- Gordon E. Guyer
- Kerry Kammer
- Ellwood A. Mattson
- O. Stewart Myers
- Raymond Poupore

David F. Hales, Director, Department of Natural Resources

Raj M Wiener, Director, Department of Public Health

C. Patrick Babcock, Director, Department of Social Services

Col. Ritchie T. Davis, Director, Department of State Police

Transportation Commission
- Stephen F. Adamini
- William C. Marshall
- Hannes Meyers, Jr.
- Nansi Irene Rowe
- Rodger D. Young
- Shirley E. Zeller

James P. Pitz, Director, Dept. of Transportation

Robert A. Bowman, State Treasurer

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II FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
GENERAL PURPOSE FINANCIAL STATEMENTS

20236734435

Source: https://www.industrydocuments.ucsf.edu/docs/[illegible]

STATE OF MICHIGAN
OFFICE OF THE AUDITOR GENERAL
333 SOUTH CAPITOL AVENUE, SUITE A
LANSING, MICHIGAN 48913
(517) 373-3773
FAX (517) 373-0095

THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

Independent Auditor's Report

The Honorable James J. Blanchard, Governor
Members of the Legislature

March 13, 1990

We have audited the general purpose financial statements of the State of Michigan, principally as of September 30, 1989 and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain component units, the State Lottery Fund, the Municipal Employees Retirement Fund, and the State Employees Retirement Fund, which are more fully described in Notes 1, 2, and 25. Those financial statements reflect total assets and revenues constituting 3% and 4% of the assets and revenues, respectively, of the special revenue funds; 63% and 78% of the assets and revenues, respectively, of the debt service funds; 71% and 100% of the assets and revenues, respectively, of the capital projects funds; 88% and 79% of the assets and operating revenues, respectively, of the enterprise funds; 65% and 81% of the assets and revenues, respectively, of the expendable trust funds; 28% and 25% of the assets and revenues, respectively, of the pension trust funds; and 44% of the liabilities of the General Long-Term Obligations Account Group. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for these units and funds, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Michigan principally as of September 30, 1989 and the results of its operations and the changes in financial position of the proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Note 4, the State changed its method of accounting to report: the Michigan Municipal Employees Retirement Fund as a pension trust fund rather than an expendable trust fund; the Michigan Education Trust Fund as an enterprise fund rather than an expendable trust fund; the assets held by the Michigan Hospital Finance Authority Defeased Bonds Fund; and the assets held by the Financial Institutions Deposits Fund. The State also discontinued reporting the changes in financial position for the pension trust funds.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Michigan. This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory and statistical sections listed in the table of contents were not audited by us and, accordingly, we express no opinion on them.

Sincerely,

2023673436

Thomas H. McTavish

Thomas H. McTavish, C.P.A.
Auditor General

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Deloitte & Touche

200 Renaissance Center - 16th Floor
Detroit, MI 48243-1274

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Mr. Thomas H. McTavish, C.P.A.
Auditor General
State of Michigan
Lansing, Michigan

March 13, 1990

We have reviewed the general purpose financial statements of the State of Michigan principally as of September 30, 1989 and for the year then ended, listed in the foregoing table of contents, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the State of Michigan.

A review consists principally of inquiries of State personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purpose of expressing the limited assurance described in the preceding paragraph concerning the financial statements taken as a whole. Our review also comprehended the supplemental financial data listed in the foregoing table of contents which is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Based on our review, we are not aware of any material modifications that should be made to the supplemental financial data in order for such data, when considered in relation to the general purpose financial statements, to be in conformity with generally accepted accounting principles. The introductory and statistical data listed in the foregoing table of contents was not reviewed by us; accordingly, we do not express an opinion or any other form of assurance on it.

Yours truly,

Deloitte + Touche

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STATE OF MICHIGAN
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1989
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 10,551	$ 1,828	$ 2,027	$ 15
Equity in Common Cash (Note 5)	491,898	1,017,144	5,477	-
Taxes, interest, and penalties receivable (Note 6)	1,071,567	206,876	-	-
Amounts due from other funds (Note 20)	292,393	61,505	7,737	8,806
Amounts due from federal agencies	488,242	107,489	-	-
Amounts due from local units	238,693	42,311	-	-
Inventories	27,281	11,443	-	-
Investments (Note 9)	-	41,004	129,920	46,831
Other current assets	135,203	19,395	5,045	385
Total Current Assets	2,755,831	1,509,000	150,210	56,038
Taxes, interest, and penalties receivable (Note 6)	52,229	4,921	-	-
Advances to other funds (Note 20)	11,355	1,781	-	-
Amounts due from federal agencies	22,098	-	-	-
Amounts due from local units	27,442	117,626	123,462	-
Mortgages and loans receivable (Note 10)	-	-	-	-
Investments (Note 9)	-	29,362	72,177	-
Property, plant and equipment (Note 11)	-	-	-	-
Other noncurrent assets	18,785	9,839	109	-
Amount available for retirement of bonds	-	-	-	-
Amount to be provided for bond retirement	-	-	-	-
Amounts to be provided for other long-term obligations (Note 15)	-	-	-	-
Total Assets	$ 2,887,743	$ 1,672,532	$ 345,960	$ 56,038
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Warrants outstanding	$ 167,283	$ 17,116	$ -	$ -
Accounts payable and other liabilities	972,215	265,555	-	31,454
Income tax refunds payable (Note 7)	795,884	-	-	-
Amounts due to other funds (Note 20)	49,978	233,374	185	107,652
Bonds and notes payable (Note 18)	-	-	-	-
Interest payable	-	-	-	-
Deferred revenue	13,567	12,232	-	-
Total Current Liabilities	1,998,930	528,278	185	139,107
Long-Term Liabilities:				
Advances from other funds (Note 20)	-	-	-	-
Advances from federal agencies (Note 17)	-	-	-	-
Prize awards payable (Note 18)	-	-	-	-
Deferred revenue	75,685	15,735	49,028	-
Bonds and notes payable (Notes 15 and 18)	-	-	-	-
Other long-term liabilities (Notes 15, 18, and 19)	-	-	-	-
Total Liabilities	2,074,616	544,013	49,213	139,107
Fund Equity:				
Investment in general fixed assets	-	-	-	-
Contributed capital (Note 22)	-	-	-	-
Reserved retained earnings (Note 23)	-	-	-	-
Unreserved retained earnings (Note 23)	-	-	-	-
Reserved fund balance (Note 24)	752,053	565,528	74,681	16,612
Unreserved fund balance (Note 24)	61,073	562,990	222,064	(99,680)
Total Fund Equity	813,127	1,128,519	296,746	(83,068)
Total Liabilities and Fund Equity	$ 2,887,743	$ 1,672,532	$ 345,960	$ 56,038

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The accompanying notes are an integral part of the financial statements.

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PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTALS (MEMORANDUM ONLY)
$ 16,714	$ 1,200	$ 8,993	$ -	$ -	$ 41,331
109,796	51,192	533,950	-	-	2,209,459
-	-	139,653	-	-	1,418,098
1,840	10,177	20,781	-	-	403,242
9,452	21	15,451	-	-	620,657
-	313	64,993	-	-	346,311
36,704	19,877	-	-	-	95,307
1,042,024	-	3,516,186	-	-	4,775,967
103,341	1,765	1,367,627	-	-	1,632,765
1,319,874	84,548	5,667,638	-	-	11,543,142
-	-	-	-	-	57,151
4,256	30,477	-	-	-	47,870
-	-	-	-	-	22,098
-	-	1,574	-	-	270,106
2,928,015	-	-	-	-	2,928,015
1,003,146	-	15,178,674	-	-	16,283,361
30,036	101,376	21	2,230,183	-	2,361,618
16,727	42,514	1,347,339	-	-	1,435,316
-	-	-	-	222,064	222,064
-	-	-	-	1,265,582	1,265,582
-	-	-	-	891,038	891,038
$ 5,302,057	$ 258,917	$ 22,195,248	$ 2,230,183	$ 2,378,685	$37,327,366
$ 2,989	$ 894	$ 22,551	$ -	$ -	$ 210,835
163,085	68,918	345,444	-	-	1,846,674
-	-	-	-	-	795,884
2,756	5,800	2,750	-	-	402,498
118,028	252	-	-	-	118,281
83,796	-	-	-	-	83,796
17,854	26,962	19,134	-	-	89,751
388,511	102,828	389,881	-	-	3,547,722
4,256	41,492	2,121	-	-	47,870
-	-	602,517	-	-	602,517
465,146	-	-	-	-	465,146
333	372	232	-	-	141,388
3,552,012	306	-	-	1,487,647	5,039,966
460,086	40,955	2,206,901	-	891,038	3,598,982
4,870,348	185,956	3,201,654	-	2,378,685	13,443,594
-	-	-	2,230,183	-	2,230,183
5,775	9,818	-	-	-	15,594
201,712	-	-	-	-	201,712
224,220	63,142	-	-	-	287,363
-	-	17,733,623	-	-	19,142,499
-	-	1,259,970	-	-	2,006,420
431,708	72,961	18,993,594	2,230,183	-	23,883,772
$ 5,302,057	$ 258,917	$22,195,248	$ 2,230,183	$ 2,378,685	$37,327,366

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES			
Taxes	$ 8,042,064	$ 2,808,831	$ -
From federal agencies	3,367,322	494,444	-
From local agencies	109,868	31,220	-
From services	104,616	1,039	-
From licenses and permits	122,251	135,758	5,397
Miscellaneous	289,304	163,118	24,439
Total Revenues	12,035,428	3,634,412	29,837
EXPENDITURES			
Current:			
General government	737,051	5,885	257
Education	1,892,415	2,748,190	-
Health and welfare	5,043,127	-	-
Public safety and corrections	879,120	-	-
Conservation, recreation, and agriculture	287,988	9,786	-
Labor, commerce, and regulatory	484,404	125,940	-
Mental health	1,164,363	-	-
Transportation	-	1,035,972	-
Items not assigned to a function	6	-	-
Capital outlay	66,485	455,437	-
Intergovernmental - revenue sharing	1,021,119	-	-
Debt service:			
Bond principal retirement	-	-	134,868
Bond interest and fiscal charges	-	-	93,631
Capital lease payments (Note 16)	40,268	3,078	10,532
Total Expenditures	11,616,351	4,384,291	239,289
Excess of Revenues over (under) Expenditures	419,076	(749,878)	(209,451)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond and bond anticipation note issues	-	11,443	10,532
Capital lease acquisitions	55,034	2,215	-
Operating transfers in	304,209	1,512,388	196,152
Operating transfers out	(630,024)	(770,203)	(4,469)
Local unit settlement discounts (Note 8)	(14,661)	-	-
Total Other Financing Sources (Uses)	(285,441)	755,844	202,215
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	133,635	5,965	(7,236)
Fund Balances - Beginning of fiscal year - as previously reported	672,321	1,131,509	303,983
Effect of accounting changes (Note 4)	-	-	-
Fund Balances - Beginning of fiscal year - restated	672,321	1,131,509	303,983
Equity transfers from other funds (Note 22)	7,740	-	-
Equity transfers to other funds (Note 22)	(569)	(8,956)	-
Fund Balances - End of fiscal year	$ 813,127	$ 1,128,518	$ 296,746

The accompanying notes are an integral part of the financial statements.

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GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPES	
CAPITAL PROJECTS	EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)
$ -	$ 1,049,711	$11,900,607
-	106,885	3,968,652
-	19,237	160,327
-	-	105,655
-	-	263,408
4,500	284,207	765,569
4,500	1,460,041	17,164,220
-	44,301	787,495
-	12	4,640,618
-	366	5,043,493
-	-	879,120
-	22	297,797
-	1,021,263	1,631,607
-	5,723	1,170,087
-	78,517	1,114,489
-	-	6
188,795	-	710,718
-	-	1,021,119
-	-	134,868
-	-	93,631
-	-	53,879
188,795	1,150,206	17,578,934
(184,294)	309,834	(414,713)
156,970	-	178,946
-	-	57,249
95,905	3,987	2,112,643
(128,981)	(45,706)	(1,579,385)
-	-	(14,661)
123,894	(41,718)	754,793
(60,400)	268,116	340,080
(22,564)	2,157,012	4,242,262
-	(1,165,157)	(1,165,157)
(22,564)	991,854	3,077,104
-	-	7,740
(103)	-	(9,629)
$ (83,068)	$ 1,259,970	$ 3,415,295

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	GENERAL FUND BUDGET	GENERAL FUND ACTUAL	GENERAL FUND VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
Taxes	$ 8,010,800	$ 8,042,064	$ 31,264
From federal agencies	3,433,600	3,367,322	(66,277)
From local agencies	180,900	109,868	(71,031)
From services	188,000	104,616	(83,383)
From licenses and permits	140,500	122,251	(18,248)
Miscellaneous	404,200	289,304	(114,895)
Operating transfers in	246,700	304,209	57,509
Total Revenues and Other Sources	12,604,700	12,339,638	(265,061)
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT			
Legislative	116,605	113,860	2,744
Judicial	142,463	142,349	114
Executive Office	4,031	3,777	253
Management and Budget	1,294,167	1,287,263	6,904
Attorney General	30,173	29,642	531
Civil Rights	12,422	12,172	250
Civil Service	21,247	19,963	1,283
State	114,385	111,786	2,598
Treasury	191,471	183,513	7,957
Education	1,080,952	1,078,069	2,882
Grants to Colleges and Universities	1,294,065	1,293,823	242
Public Health	358,847	358,277	569
Mental Health	1,165,266	1,176,351	(11,085)
Social Services	4,677,769	4,704,772	(27,003)
Corrections	680,624	689,605	(8,980)
Military Affairs	27,526	25,611	1,915
State Police	211,390	206,663	4,726
Transportation	-	-	-
Commerce	205,081	202,230	2,850
Labor	306,108	293,967	12,141
Licensing and Regulation	24,734	24,301	432
Natural Resources	282,660	265,594	17,065
Agriculture	68,721	63,153	5,568
Items Not Assigned to Departments	-	14,667	(14,667)
Total Expenditures, Operating Transfers Out, and Encumbrances	12,310,718	12,301,421	9,296
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ 293,981	38,216	$ (255,765)
Reconciling Items (Note 3):			
Encumbrances at September 30		95,418	
Funds not annually budgeted		-	
Net Reconciling Items		95,418	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		133,635	
FUND BALANCES (GAAP BASIS)			
Beginning balances		672,321	
Equity transfers from other funds		7,740	
Equity transfers to other funds		(569)	
Ending balances (GAAP Basis)		$ 813,127	

The accompanying notes are an integral part of the financial statements.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 2,827,400	$ 2,808,831	$ (18,568)	$10,838,200	$10,850,896	$ 12,696
469,466	494,444	24,977	3,903,066	3,861,766	(41,299)
46,130	30,416	(15,714)	227,030	140,284	(86,745)
630	965	335	188,630	105,581	(83,048)
128,978	129,559	580	269,478	251,810	(17,667)
159,294	149,476	(9,817)	563,494	438,781	(124,712)
1,467,500	1,509,980	42,480	1,714,200	1,814,190	99,990
5,099,400	5,123,674	24,274	17,704,100	17,463,312	(240,787)
-	-	-	116,605	113,860	2,744
-	-	-	142,463	142,349	114
-	-	-	4,031	3,777	253
23,791	21,537	2,254	1,317,959	1,308,801	9,158
-	-	-	30,173	29,642	531
-	-	-	12,422	12,172	250
-	-	-	21,247	19,963	1,283
-	-	-	114,385	111,786	2,598
-	-	-	191,471	183,513	7,957
2,690,812	2,691,696	(883)	3,771,765	3,769,765	1,999
-	-	-	1,294,065	1,293,823	242
-	-	-	358,847	358,277	569
-	-	-	1,165,266	1,176,351	(11,085)
-	-	-	4,677,769	4,704,772	(27,003)
-	-	-	680,624	689,605	(8,980)
-	-	-	27,526	25,611	1,915
-	-	-	211,390	206,663	4,726
2,202,391	2,167,830	34,561	2,202,391	2,167,830	34,561
-	-	-	205,081	202,230	2,850
139,063	138,834	228	445,171	432,801	12,370
668	469	199	25,402	24,771	631
105,608	103,316	2,291	388,269	368,911	19,357
-	-	-	68,721	63,153	5,568
-	-	-	-	14,667	(14,667)
5,162,336	5,123,685	38,651	17,473,055	17,425,107	47,948
$ (62,936)	(10)	$ 62,926	$ 231,044	38,205	$ (192,839)
	65,520			160,939	
	(59,543)			(59,543)	
	5,976			101,395	
	5,965			139,601	
	1,131,509			1,803,830	
	-			7,740	
	(8,956)			(9,525)	
	$ 1,128,519			$ 1,941,646	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND FUND BALANCES
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST FUNDS	TOTALS (MEMORANDUM ONLY)
OPERATING REVENUES:				
Operating revenues	$ 1,622,915	$ 462,877	$ -	$ 2,085,792
Contributions from members and employers (Note 12)	-	-	938,901	938,901
Interest income	286,430	-	-	286,430
Investment revenue (net)	112,037	-	1,658,427	1,770,465
Miscellaneous	39,499	-	6,850	46,349
Total Operating Revenues	2,060,883	462,877	2,604,178	5,127,939
OPERATING EXPENSES:				
Salaries, wages, and other administrative	209,300	64,620	10,569	284,490
Interest expense	289,507	-	-	289,507
Depreciation	3,615	17,563	2	21,181
Purchases for resale	328,812	27,455	-	356,268
Purchases for prison industries	-	10,756	-	10,756
Lottery prize awards	558,098	-	-	558,098
Payment of premiums and claims	-	344,168	-	344,168
Benefits, insurance, and refunds	-	-	1,065,203	1,065,203
Other operating expenses	82,853	-	-	82,853
Total Operating Expenses	1,472,188	464,564	1,075,776	3,012,528
Operating Income (Loss)	588,694	(1,687)	1,528,402	2,115,410
NONOPERATING REVENUES (EXPENSES):				
Specific tax on spirits	7,228	-	-	7,228
Federal grant revenue	28,667	-	-	28,667
Interest revenue	268	-	-	268
Other nonoperating revenues	1,496	519	-	2,016
Grant expense	(38,689)	-	-	(38,689)
Interest expense	(764)	-	-	(764)
Development stage expenses	(2,692)	-	-	(2,692)
Other nonoperating expenses	(7,961)	(1,699)	-	(9,660)
Total Nonoperating Revenues (Expenses)	(12,446)	(1,179)	-	(13,626)
Income (Loss) Before Operating Transfers	576,248	(2,866)	1,528,402	2,101,784
OPERATING TRANSFERS:				
Operating transfers in	24,995	3	107	25,106
Operating transfers out	(552,453)	(3,287)	(4,589)	(560,330)
Total Operating Transfers In (Out)	(527,458)	(3,283)	(4,482)	(535,223)
Net Income (Loss)	48,790	(6,150)	1,523,920	1,566,560
Retained Earnings and Fund Balances - Beginning of fiscal year - as previously reported	378,086	69,293	15,044,580	15,491,959
Effect of accounting change (Note 4)	(943)	-	1,165,122	1,164,178
Retained Earnings and Fund Balances - Beginning of fiscal year - restated	377,142	69,293	16,209,702	16,656,138
Equity transfers from other funds	-	443	-	443
Equity transfers to other funds	-	(443)	-	(443)
Retained Earnings and Fund Balances - End of fiscal year	$ 425,933	$ 63,142	$17,733,623	$18,222,699

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The accompanying notes are an integral part of the financial statements.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
PROPRIETARY FUND TYPES
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)
SOURCES OF FUNDS:			
From operations:			
Net income (loss)	$ 48,790	$ (6,150)	$ 42,639
Items not requiring (providing) working capital:			
Depreciation	3,615	17,563	21,178
Compensated absences - long-term portion	775	190	965
Change in long-term prize awards	82,028	-	82,028
Disability claims - long-term portion	-	6,957	6,957
Provision for losses on loans	1,893	-	1,893
Amortization of deferred items (net)	21,500	(115)	21,384
Loss (gain) on disposal of fixed assets	232	929	1,161
Working Capital Provided (Used) from Operations	158,834	19,374	178,209
From other sources:			
Proceeds from bonds and notes sold	595,078	306	595,384
Principal repayments on loans	415,707	-	415,707
Sale of fixed assets	-	3,890	3,890
Decrease in noncurrent investments (net)	233,838	-	233,838
Decrease in other noncurrent assets	-	9,891	9,891
Increase in long-term lease obligations	85	18	103
Increase in advances and other long-term liabilities	293,529	18,616	312,146
Contributed capital additions	1,888	-	1,888
Equity transfers from other funds	-	443	443
Total Sources (Uses) of Funds	$ 1,698,961	$ 52,542	$ 1,751,503
APPLICATION OF FUNDS:			
Increase in advances to other funds	$ 4,256	$ 13,027	$ 17,284
Increase in noncurrent investments (net)	138,768	-	138,768
Loans issued/purchased	458,433	-	458,433
Decrease in long-term bonds and notes payable	456,392	-	456,392
Decrease in long-term prize awards payable	38,413	-	38,413
Increase in other noncurrent assets	9,546	-	9,546
Additions to fixed assets	3,672	35,925	39,597
Decrease in long-term deferred revenues	184	-	184
Decrease in other long-term liabilities	-	1,839	1,839
Equity transfers to other funds	-	443	443
Net increase (decrease) in working capital	589,293	1,305	590,598
Total Application of Funds	$ 1,698,961	$ 52,542	$ 1,751,503
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents	$ 6,304	$ 197	$ 6,501
Equity in/Liability to Common Cash	28,854	(12,666)	16,187
Amounts due from other funds	352	8,402	8,754
Amounts due from federal agencies	1,160	-	1,160
Amounts due from local units	-	(104)	(104)
Inventories	(16,773)	4,699	(12,074)
Investments	573,151	-	573,151
Other current assets	8,565	338	8,904
Warrants outstanding	(1,567)	361	(1,205)
Accounts payable and other liabilities	(11,461)	(8,528)	(19,989)
Amounts due to other funds	273	(5,590)	(5,316)
Bonds and notes payable - current	(6,812)	(252)	(7,064)
Interest payable	334	-	334
Deferred revenue	6,911	14,448	21,359
Net Increase (Decrease) in Working Capital	$ 589,293	$ 1,305	$ 590,598

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The accompanying notes are an integral part of the financial statements.

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NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the State conform in all material respects to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) establishes the criteria used in determining which organizations should be included in these financial statements. The GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, requires the inclusion of the financial transactions of all government organizations for which the State has the ability to exercise significant oversight responsibility.

The extent of oversight responsibility is based upon several criteria including: selection of governing authority, designation of management, the ability of the State to significantly influence operations, financial interdependency and accountability for fiscal matters including the level of State financing and/or moral or legal responsibility for the long-term debt of the organizations. Based upon this criteria, this report includes information on several component unit organizations that are not accounted for as funds in the State's central accounting system. These organizations are:

State Building Authority
Michigan Higher Education Facilities Authority
Michigan Family Farm Development Authority
Mackinac Bridge Authority
Michigan Unemployment Compensation Fund
Michigan Education Trust
Michigan State Hospital Finance Authority
Michigan Higher Education Student Loan Authority
Michigan Higher Education Assistance Authority
Mackinac Island State Park Commission
Michigan Strategic Fund
Michigan State Housing Development Authority

In addition to the component units listed above, there are certain organizations with varying degrees of autonomy which are not separate funds but which are recorded in accounts within a State fund, usually the General Fund. Among these organizations are: the Michigan Municipal Bond Authority, which is described more fully in Note #15; the Michigan Export Development Authority within the Department of Agriculture; the Automobile Theft Prevention Authority within the Department of State Police; and, various elements of the State court system.

The court system components which are considered part of the State entity include: the Michigan Supreme Court, the Michigan Court of Appeals, the Court of Claims, the 36th District Court, and the Wayne County Circuit Court. The financial transactions of these courts are included in the General Fund. Other circuit courts, district courts, and probate courts are considered local units of government activities and have been excluded from these statements.

A complete listing of State funds and component units is provided in Note #2.

As more fully described in the following paragraphs, certain organizations were evaluated for possible inclusion as component units, but it was determined that they should not be considered part of the State reporting entity because they do not meet the criteria for inclusion.

The Michigan State Accident Fund (MSAF), which provides workers' compensation insurance coverage for both public and private employers, has (except for certain investment activity) been excluded from this report. The MSAF does not meet the criteria for inclusion because the State was prevented from exercising oversight pending the outcome of litigation. The MSAF entered into legal proceedings challenging State attempts to exercise oversight responsibility over its operations. These legal proceedings have recently been resolved in the State's favor and the State has begun to implement oversight over the MSAF beginning with the fiscal year ending September 30, 1990. It is expected that the MSAF will be reported as an enterprise fund in future years. Financial statements prepared under generally accepted accounting principles for the MSAF as of September 30, 1989 are not available.

The State, by statute, is a depository for a portion of the investments of the MSAF. This portion is accounted for within the State accounting system and is reported as an expendable trust fund titled the "Michigan State Accident Fund."

Note 1 continued on next page.

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Public institutions of higher education have been excluded from these statements. Community colleges are excluded because they are local units of government. Other public institutions have been excluded based upon an application of the manifestations of oversight criteria of the GASB. By State Constitution, law, and practice the institutions have been made autonomous and the degree of State oversight is so remote that it is deemed most appropriate not to reflect them as part of the entity.

The following summarizes the evaluation of the manifestations of oversight for the institutions of higher education: (a) the three largest institutions' governing boards are selected by the electorate and State officials do not maintain significant continuing relationships with the other institutions' boards; (b) the institutions' employees are not part of the State's classified civil service; (c) management is not appointed by the State; (d) the State does not establish or control the budgets; (e) the State is not responsible for debts or deficits; (f) assets are held in the name of the institutions; (g) each institution maintains its own accounting records, investments, and bank accounts; (h) each issues its own financial statements which are audited by outside accounting firms selected by the institution; (i) the institutions have significant non-state revenues.

The State grants to the institutions are generally unrestricted in that each institution determines how the money is used, although in some cases the State makes grants for specific programs or construction projects. In the operating statements, these grants are classified as "Education" expenditures of the funds making grants.

The International Bridge Authority of Michigan at Sault Ste. Marie, Michigan is a joint venture of the State and Canadian governments and, therefore, is not included as a component unit in this report. The Authority is governed by a commission made up of five members, three from the State (appointed by the Governor with the consent of the Senate) and two from Canada (appointed by the St. Mary's River Bridge Company, which is controlled by the Province of Ontario). Toll revenues are used to finance the cost of operating and maintaining the bridge as well as to cover debt service requirements. Budgetary and financial control over the Authority is the responsibility of the commission. The following is summary financial information for the Authority as of its fiscal years ended August 31 (in thousands):

	1989	1988
Current Assets	$1,488	$1,920
Current Liabilities	574	761
Total Equity	914	1,159
Total Revenues	3,913	3,624
Total Expenditures	3,676	3,039
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(244)	641
Fixed Assets (cost)	3,407	2,852
Long-Term Debt (Bonds Payable)	7,850	7,850

B. Basis of Presentation

With the exception of amounts related to component unit statements, the financial statements are based upon financial transactions of the State as they are recorded in individual funds in the State's central accounting system. The amounts presented for component units are based upon audited financial statements and schedules issued by the units. As more fully explained in Note #2, the various funds and units are combined into the various fund types described below:

GOVERNMENTAL FUND TYPES

General Fund: The General Fund is the State's primary operating fund. It is used to account for general purpose financial resources and those restricted revenues which are not required to be accounted for in separate funds.

Special Revenue Funds: This fund group includes operating fund and component unit activities which account for the proceeds of certain specific revenue sources that are legally restricted for specified purposes.

Capital Project Funds: Funds and component units which account for the acquisition or construction of major State capital facilities financed by bond proceeds are reported in this fund group.

Debt Service Funds: This group accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Note 1 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

PROPRIETARY FUND TYPES

Enterprise Funds: This fund group includes funds and component units whose operations and finances are accounted for in a manner similar to private business enterprises. For this group, it is the intent of the State that: (a) the costs (i.e., expenses, including depreciation) of providing goods or services to the general public be financed primarily by user charges; or (b) "net income" be periodically determined and used as appropriate for capital maintenance, management control, or determination of amounts to be transferred to other operating funds as required by statute.

Internal Service Funds: This group is similar to enterprise funds except that the goods or services are provided primarily to other agencies or funds of the State, rather than to the general public.

FIDUCIARY FUND TYPES

Trust and Agency Funds: This group includes assets held by the State on behalf of outside parties, including other governments, or on behalf of other State funds. The group is subdivided into three subtypes: (a) pension funds, which are accounted for in a manner similar to proprietary funds; (b) expendable trust funds, which are accounted for in a manner similar to governmental funds; and (c) agency funds, where the State's responsibility is purely custodial in nature and for which asset and liability balances, but not operating results, are included in the general purpose financial statements.

ACCOUNT GROUPS

General Fixed Assets Group: This group of accounts is used to account for fixed assets (i.e., land, buildings, and equipment) owned by the State, except for assets of proprietary fund types which are recorded directly in those funds.

General Long-Term Obligations Group: This group accounts for all of the long-term obligations of the State, except for those accounted for directly in a fund.

TOTALS (MEMORANDUM ONLY)

Amounts in the "TOTALS - (MEMORANDUM ONLY)" columns represent summations of the fund types and account groups and are presented only for analytical purposes. The summations include fund types and account groups that use different bases of accounting, interfund transactions that have not been eliminated, and the caption "amounts to be provided," which is not an asset in the usual sense. Consequently, amounts shown in the "TOTALS - (MEMORANDUM ONLY)" columns are not comparable to a consolidation.

C. Basis of Accounting

The governmental fund types, expendable trust funds, and agency funds are accounted for on the modified accrual basis of accounting. There are some departures from the modified accrual basis for statutory/budgetary purposes. The nature of these departures is such that they affect how operating results are reported, but do not cause a difference in the balance sheet or in the calculation of unreserved fund balance. This is further explained in Note #3.

The modified accrual basis emphasizes the measurement of current financial resources and obligations (i.e., "financial flow" focus). Therefore, fund revenues and other financing sources are recorded when financial resources become "measurable and available" to fund current liabilities; expenditures are recorded when fund liabilities are incurred, except for principal and interest on general long-term obligations.

The proprietary fund types and the pension trust funds use the accrual basis of accounting. The accrual basis emphasizes the measurement of "net income," (i.e., "capital maintenance" focus). Using this basis, revenues are recognized when "earned" and expenses are recognized when "incurred." All financial resources and obligations of a fund, whether current or noncurrent, are recorded in the fund.

Note 1 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

The primary effects of the differences in these bases are:

(1) For governmental fund types, most long-term liabilities are reported in the General Long-Term Obligations Account Group rather than as fund liabilities. The proceeds of long-term borrowings result in increases to fund balance because "other financing sources" are credited to the fund. Fund liabilities for both principal and interest related to general long-term obligations are recognized when they become "due and payable" (i.e., when normally liquidated with expendable available financial resources).

(2) Fixed asset acquisitions are recorded as expenditures of governmental fund types in the year acquired. Such assets are capitalized in proprietary fund types, with depreciation expense recognized over the life of the asset.

(3) For governmental fund types, revenue which is not "available" is recorded as deferred revenue. Other noncurrent assets result in reservations of fund balance. Such deferrals and reserves are usually not reflected in proprietary type funds.

D. Fiscal Year-Ends

All funds and component units are reported using fiscal years which end on September 30, except for two component units. Two component units with June 30 year-ends are the Michigan State Housing Development Authority and the Michigan State Hospital Finance Authority, both of which are reported in the enterprise fund group.

E. Assets, Liabilities, and Fund Equity

Equity in Common Cash: The State Treasurer maintains centralized management of most State cash resources (not including component units). The operations and investments of the common cash pool are described in Note #5.

Taxes Receivable: Tax revenue is accrued to the extent that it is both measurable and available. Application of the measurability and availability criteria regarding taxes is described in Note #6.

Amounts Due From Federal Agencies: For most federally funded programs, revenue is accrued in the same period as related obligations are recorded. In certain programs financed entirely by the federal government, expenditures and related revenues are recognized only to the extent of billings received by fiscal year-end. This treatment, which is generally limited to certain programs within the Department of Education, understates both assets and liabilities, so there is no impact on fund balance.

Inventories: Inventories are valued at cost, primarily using a first-in, first-out flow assumption. Expenditures (governmental funds) and expenses (proprietary funds) are recognized using the consumption method (i.e., when used or sold).

Investments: Most equity securities are stated at cost and debt securities are stated at amortized cost. As explained in Note #19, mutual fund investments of the State's 401k deferred compensation plan are valued at market. Additional disclosures describing investments are provided in Note #9.

Property, Plant, and Equipment: General fixed assets and capitalizable improvements of governmental fund types are recorded in the General Fixed Assets Account Group at historical cost or, if donated, at the estimated fair market value at the date of acquisition. In assembling the General Fixed Assets Account Group for the first time in 1985, certain fixed asset costs were not available; historical costs of these assets at the dates of acquisitions have been estimated.

Infrastructure ("public domain") fixed assets such as undeveloped State owned lands, roads, and bridges are not capitalized. Interest incurred during construction is not capitalized and depreciation is not provided on general fixed assets.

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Note 1 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Assets of proprietary funds are capitalized at cost upon acquisition. Depreciation expense on buildings and equipment is recorded over the expected useful lives of the assets. Depreciation is calculated using the straightline method, except for automotive equipment in the Motor Transportation Revolving Fund (an internal service fund) which is depreciated using the 150% declining balance method.

Additional disclosures related to fixed assets and assets acquired through capital leases are provided in Notes #11 and #16, respectively.

Warrants Outstanding: Warrants outstanding represent drafts issued against the State Treasurer which have not yet cleared. These are somewhat similar to outstanding checks; however, cash is not reduced until the warrant is redeemed.

Income Tax Refunds Payable: The amount of collected or accrued personal income tax revenues that will be refunded is estimated and accrued as a General Fund liability. Note #7 explains the significant impact that tax credit programs have on the amounts being accrued.

Deferred Revenue: Deferred revenue is recognized when cash, receivables, or other assets are received or recognized prior to their being earned or available. Unearned revenue deferrals are classified with current liabilities; unavailable revenue deferrals are classified as short-term if the related receivable is due within 12 months, otherwise they are classified as long-term.

Long-Term Liabilities: General long-term obligations which are not reported as fund liabilities are reported in the General Long-Term Obligations Account Group. The group, which is more fully described in Note #15, includes general obligation and revenue dedicated bonds, capital lease obligations, compensated absences, claims and judgments, workers' compensation, early retirement program, and unemployment compensation fund interest deferral liabilities related to the funds accounted for on the modified accrual basis. Fund expenditures are recognized for these obligations in the period when they are "normally liquidated with available financial resources." For obligations other than claims and judgments, this means the expenditures are recognized as they become "due and payable." Note #15 explains the accounting for claims and judgments.

The "Advances from federal agencies" line reports the portion of the federal advance to the Michigan Unemployment Compensation Fund (an expendable trust fund) which is not expected to be repaid within twelve months. Note #17 describes this advance.

Long-term liabilities of the proprietary funds are recognized in the funds, except for the portions of the workers' compensation liability for which fund distribution is not reasonably estimable. The long-term liabilities of these funds are more fully explained in Notes #16 and #18.

Fund Equity: nd equity represents the difference between fund assets and fund liabilities. The governmental and fiduciary funds' fund equity is called "fund balance." The portion of a proprietary fund's fund equity attributable to accumulated earnings is referred to as "retained earnings." Amounts provided by other funds or governmental units for property, plant, and equipment or for original start-up costs for new funds are classified as "contributed capital." Note #22 explains the basis for the amounts which are reported as contributed capital.

Reservations: Fund balances for all governmental funds are classified as either reserved or unreserved. Reserved fund balances reflect either: 1) funds legally segregated for a specific use or 2) assets which, by their nature, are not available for expenditure. Unreserved fund balances reflect the balances available for expenditure for the general purposes of the fund. Details related to the make-up of reserved fund balances are reported in Note #24.

Retained earnings reservations in proprietary funds usually reflect amounts required to be set aside by bond agreements. These are described in Note #23.

F. Revenues, Expenditures, Encumbrances, Expenses, and Other Financing Sources and Uses

Revenues: Revenues are reported by source. For budgetary control purposes, revenues are further classified as either "general purpose" or "restricted." General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either by State law or by outside restriction (e.g., federal grants), available only for specified purposes. Unused restricted revenues at year-end are recorded as reservations of fund balance.

Note 1 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Revenues of governmental funds that accrue to the State independent of when expenditures are incurred by the State (such as taxes, licenses, and permits) are considered "available" if the payer incurs the obligation to the State before year-end and payment is received within 60 days of year-end. The recording of delinquent taxes receivable is the only significant departure from the above (see Note #6).

Revenues which the State earns by incurring obligations (such as matching federal grants) are generally recognized in the same period that the related obligations are recognized. Such accrued revenue is considered available even if it is not received within 60 days of year-end. This method provides improved reporting and control at the program level because it appropriately matches funding sources and uses.

Expenditures: Expenditures are reported by character: "Current," "Capital outlay," "Intergovernmental - revenue sharing," or "Debt service." Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Capital outlay includes expenditures for real property or infrastructure (e.g. highways). Intergovernmental revenue sharing is used to account for the distribution of certain tax revenues which are shared with local units based upon statutory requirements. Debt service includes both interest and principal outlays related to bonds accounted for in the General Long-Term Obligations Account Group and payments on capitalized leases.

Encumbrances: Encumbrances are commitments related to unperformed (executory) contracts for goods or services. During the fiscal year, agencies may enter all types of encumbrances in the accounting system for spending control purposes. For year-end financial reporting purposes, encumbrances are recorded only to the extent that spending authority is allowed to be carried forward to the next year. How encumbrances are reflected in the statements is more fully described in Note #3.

Unless a statutory exception has been made, there are limits on the types of encumbrances that can be recorded as spending authority carry-forwards at year-end. Encumbrances are not recorded against multi-year project (capital outlay and work project) appropriations which do not lapse until project completion. Other encumbrances are recorded only if the encumbrance is for an obligation that was entered into prior to September 16. Encumbrances for services are recorded only if the contract is for a nonrecurring item. Encumbrance contracts for goods that specify delivery after September 30 are not recorded and encumbered amounts in excess of line-item spending authority are not recognized.

Expenses: Expenses are classified as operating or nonoperating and are subclassified by object (e.g., salaries, depreciation, and purchases for resale).

Other Financing Sources: These additions to governmental fund balances include resources and financing provided by bond proceeds, capital leases, and operating transfers from other funds.

Other Financing Uses: These are reductions of governmental fund resources, normally resulting from operating transfers to other funds. As more fully explained in Note #8, certain loans and receivables to Wayne County were discounted and this is also reported in this category.

G. Interfund Transactions

Operating Transfers: Except as described below, transactions between funds are classified as operating transfers. These include most of the routine transfers of resources between funds, such as a transfer from a fund receiving revenue to the fund through which resources are to be expended.

Equity Transfers: Residual equity transfers, which are detailed in Note #22, are used to record capital contributions and other nonrecurring or nonroutine transfers of equity between funds.

Reimbursements: The reimbursement method reclassifies an expenditure/expense from the fund originally making a disbursement to another fund to which the expenditure/expense is more properly attributable. For example, the State uses this method when the administrative costs of proprietary funds and component units or pension trust funds are appropriated in the General Fund.

Quasi - External Transactions: Certain interfund transactions are recorded as if they were occurring with an outside entity. This method is most commonly used to report revenues of the internal service funds, pension funds, and certain expendable trust funds. The paying funds report expenditures or expenses, depending upon fund type.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 2 — FUNDS BY CLASSIFICATION

The following table lists all of the funds and component units which make up the various fund types as of September 30, 1989. Component units which are not accounted for in the State's central accounting system but which are included in the reporting entity pursuant to GASB's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, are identified by "(cu)." Operating funds which are subject to annual appropriation and for which statements comparing budget to actual are included in this report are identified by an "*" (see Note #3).

General Fund*

Special Revenue Funds:

Transportation Related:
- State Aeronautics Fund*
- State Trunkline Fund*
- Michigan Transportation Fund*
- Comprehensive Transportation Fund*
- Comprehensive Transportation Bond Construction Fund
- 1983 State Trunkline Fund Bond Proceeds Fund
- 1984 Comprehensive Transportation Bond Proceeds Fund
- 1984 State Trunkline Fund Bond Proceeds Fund

Conservation and Recreation Related:
- Game and Fish Protection Fund*
- Michigan State Waterways Fund*
- Marine Safety Fund*
- Game and Fish Protection Trust Fund
- State Park Improvement Fund*
- Recreation Bond Fund - Local Projects
- Environmental Protection Bond Fund
- Michigan Natural Resources Trust Fund*
- Water Pollution Control Bond Fund
- Michigan Nongame Fish and Wildlife Fund*

Regulatory and Administrative Related:
- Michigan Employment Security Act - Administration Fund*
- Safety Education and Training Fund*
- State Construction Code Fund*
- Homeowner Construction Lien Recovery Fund*

Other State Funds:
- Counter-Cyclical Budget and Economic Stabilization Fund*
- Michigan Veterans' Trust Fund*
- School Aid Fund*
- School Bond Loan Fund
- Children's Trust Fund*
- State Building Authority Advance Financing Fund

Component Units:
- State Building Authority (cu)
- Michigan Higher Education Facilities Authority (cu)
- Michigan Family Farm Development Authority (cu)
- Mackinac Bridge Authority (cu)

Debt Service Funds:

- Combined State Trunkline Bond and Interest Redemption Fund
- Water Pollution Control Bond and Interest Redemption Fund
- Combined Comprehensive Transportation Bond and Interest Redemption Fund
- Vietnam Veteran Era Bonus Bond Redemption Fund
- School Loan Bond Redemption Fund
- State Park Revenue Bond Fund
- State Building Authority (cu)

Capital Projects Funds:

- Recreation Bond Fund - State Projects
- State Building Authority Advance Financing Fund
- State Building Authority (cu)

Enterprise Funds:

State Funds:
- Liquor Purchase Revolving Fund
- State Lottery Fund
- Low-Level Radioactive Waste Authority
- Michigan State Fair Revolving Fund
- Department of Natural Resources Magazine Fund

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Note 2 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Component Units:
- Michigan State Hospital Finance Authority (cu)
- Michigan Education Trust (cu)
- Michigan Higher Education Student Loan Authority (cu)
- Michigan Higher Education Assistance Authority (cu)
- Mackinac Island State Park Commission (cu)
- Michigan Strategic Fund (cu)
- Michigan State Housing Development Authority (cu)

Internal Service Funds:
- Correctional Industries Revolving Fund
- Motor Transport Revolving Fund
- Office Services Revolving Fund
- Telecommunications Revolving Fund
- State Sponsored Group Insurance Fund

Trust Funds:

Pension Related:
- Legislative Retirement Fund
- State Police Retirement Fund
- State Employees' Retirement Fund
- Public School Employees' Retirement Fund
- Probate Judges' Retirement Fund
- Judges' Retirement Fund
- Municipal Employees' Retirement Fund

Expendable Trust Funds:
- Michigan Unemployment Compensation Fund (cu)
- Michigan Employment Security Act Contingent Fund
- Michigan State Accident Fund (See Note 1A)
- Second Injury Fund
- State Employees' Deferred Compensation Fund II (401k)
- Transportation Related Trust Funds
- Miscellaneous Trust Accounts Fund

Agency Funds:
- Metropolitan Planning Fund
- Contribution Fund (Social Security)
- State Employees' Deferred Compensation Fund I (457)
- Hazardous and Solid Waste Disposal Facilities Closure Guarantee Fund
- Insurance Carrier Deposits Fund
- Financial Institution Deposits Fund
- Michigan Hospital Finance Authority Defeased Bonds Fund

NOTE 3 — BUDGETING AND BUDGETARY CONTROL

A. Major Constitutional and Statutory Provisions

Balanced Budget Requirements: Article V of the State Constitution mandates that the executive budget recommend spending limits for operating funds to the Legislature that are within available resources. Compliance with this is demonstrated in the "Executive Budget" for each fiscal year.

Article IV of the State Constitution mandates the Legislature to enact appropriations for a fund that do not exceed that fund's revenue estimates. Compliance with this requirement is demonstrated in schedules included in the annual appropriation acts, usually the "General Government" appropriation act.

When it appears that revenue will fall below the estimates on which the appropriations are based, the Governor is required to recommend spending reductions as necessary to avoid a year-end deficit. This was not necessary in this fiscal year.

Revenue Limits: Effective with fiscal year 1979-80, Article IX, Section 26 of the State Constitution restricted State revenues to a ceiling based upon revenues for fiscal 1978-79 as a proportion of personal income for calendar year 1977. More specifically, it provides that State revenues (other than federal aid and revenues used for payment of principal and interest on general obligation bonds) in any fiscal year are limited to 9.49% of the prior calendar year's personal income. For example, the fiscal 1988-89 revenues cannot exceed 9.49% of calendar year 1987 personal income, or the average of the three prior years' income, whichever is greater. Both the constitutional language and implementing statutes provide for other adjustments to the revenue and personal income calculations. If revenues exceed the limit by more than one percent, the entire amount in excess of the limit must be refunded to personal income tax payers and payers of the State's single business tax. If the limit is exceeded by an amount less than one percent, the excess may be deposited into the State's Budget Stabilization Fund.

Note 3 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

The statutory language implementing this constitutional provision was substantially amended in 1988. During 1989, the limit itself was recalculated, pursuant to the statutory mandate and the calculation was audited by the Legislative Auditor General. The Auditor General has also reviewed the calculations for fiscal year 1987-88. The official calculation for fiscal year 1988-89 is not required to be made until June 30, 1990. Preliminary estimates indicate that state revenues for fiscal 1988-89 are well under the limit.

Local Spending Requirements: Article IX, section 30 requires that State spending to, or on behalf of, local units of government not fall below 41.61% of total State spending. Calculations of the percentage paid in 1988-89 are not yet complete, however, it is anticipated that payments to local units exceeded the requirement. For fiscal year 1987-88, the percentage paid to local units amounted to 44.41%.

The methods used by the State to measure payments to, or on behalf of, the local units are involved in litigation cases and the State has lost one case at the appellate level. The State is appealing that case and has been granted a stay. The State believes its position will prevail at the Supreme Court level. If the State does lose, however, it is considered most likely that any remedy would be prospective in nature and therefore no liability or loss provision has been established for this contingency.

Budget Stabilization Fund: The Counter-Cyclical Budget and Economic Stabilization Fund (a special revenue fund) was created by Public Act 76 of 1977 to assist in stabilizing revenue and employment during periods of economic recession. In general, the law requires payments into the fund when real economic growth exceeds 2% and allows withdrawals from the fund when real economic growth is less than 0%. Funds can also be withdrawn to fund capital outlay projects. Public Act 181 of 1989 also provides a formula under which the fund would finance increases in the basic membership School Aid Fund payments. The potential effect of such a transfer has not been determined at this time.

The following summarizes the transactions for the fund for 1988-89 (in millions):

Beginning balance - unreserved	$381.2
Interest income	37.9
Ending balance - unreserved	$419.2

Within the fund, a reserve for prison construction had been established in prior years. This represented unspent spending authority for projects appropriated in the General Fund in prior years, with financing to be provided by the Budget Stabilization Fund. Transfers from the reserve were made as expenditures occurred. The beginning balance of the reserve for prison construction was $11.9 million. During 1988-89, the entire amount was utilized for prison construction.

B. Budgetary Control - Governmental Fund Types

A number of different budgetary control processes are used for the various funds and programs within funds. Annual legislative appropriations and revenue estimates are provided only for operating funds. These annually budgeted operating funds include the General Fund and 18 of the special revenue funds. (Note #2 identifies the annually budgeted operating funds.) The other funds do not have complete legally adopted budgets, but they are usually subject to some more limited form of budgetary control, such as financial plans or a limiting of expenditures to the amount of resources. The budget to actual comparative statements in this report reflect only the annually budgeted operating funds of the oversight entity.

Revenues: General purpose (unrestricted) revenue estimates are provided in both the original executive budget and in original legislative appropriations in order to demonstrate compliance with constitutional provisions. Public Act 431 of 1984 makes the Department of Management and Budget responsible for updating revenue projections. Revenues restricted by law or outside grantors to a specific program are estimated at a level of detail consistent with controlling related expenditure accounts.

Spending: The level and method of control provided over spending varies significantly between funds and programs. However, most spending authorizations for operating funds are broken down into object categories (e.g., salaries) by organizational subunits (e.g. divisions) of departments. If a department wishes to transfer spending authority from one account to another, it must, generally, receive legislative approval. Expansion of total spending authority usually requires a supplemental appropriation. In the event that expenditures exceed authorization during a year, the department must request a supplemental appropriation (carry-back) for the amount overspent.

Note 3 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

For programs financed from restricted revenues, spending authorizations are generally contingent upon recognition of the related revenue. If revenues fall short of estimates, related spending authorizations are reduced. If revenues exceed the estimate, supplemental appropriations are usually required before they can be spent.

Budgetary control of spending is maintained by the central accounting system at the appropriation account level. Spending authority accounts are at a level of detail which makes it infeasible to include a comparison of budget to actual at the level of budgetary control in the State's Comprehensive Annual Financial Report. A separate report is published by the Department of Management and Budget detailing the disposition of authorizations at the spending account level.

C. Statutory/Budgetary Presentation

In the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General and Special Revenue Funds," expenditures, operating transfers out, other financing uses, and encumbrances are combined and classified by department, rather than being reported by character and function as shown in the GAAP statements. This departmental classification is used to better reflect organizational responsibility and to be more consistent with the budgetary process. Generally accepted accounting principles require that the final legal budget be reflected in the "budget" column, therefore the updated revenue estimates as of November 30, rather than the amounts shown in the original budget, are reported. The November 30 date is used because P.A. 431 of 1984 permits budget adjustments by the Legislature through 60 days after year-end.

The expenditures budget column represents original and supplemental authorizations (i.e., appropriations and carry-forwards) as adjusted for carry-backs (i.e., current year appropriations for prior year overdrafts), executive order reductions, approved transfers, restricted revenue adjustments, prior year carry-forward corrections, and timing differences. The timing differences primarily result from authorizations for multi-year projects, such as capital outlay and work projects, which are provided for a period of more than one year. Such authorization balances remaining at year-end are removed from the budget column so as to provide an "annualized" budget. "Favorable variances" generally reflect unused general purpose spending authority ("lapses") and/or unused restricted revenue authority which carries over as a reservation of fund balance; "unfavorable variances" reflect budgetary overdrafts. If both favorable and unfavorable variances exist for a particular line, the amount shown is the net variance.

Prior year carry-forward corrections result when, subsequent to year-end, it is found that either spending authority which should have been lapsed was carried forward, or that authority which should have been carried forward was lapsed. For example, agencies may designate accounts as work project carry-forwards and it may be later determined that they have not met the legal requirements for such treatment. When these situations occur, the spending authority ("Budget") in the new year is reduced (or reinstated). Therefore, the amount reflected for spending authority brought forward in the current year will not agree, exactly, with the amount reserved for multi-year projects in the prior year.

The Office of the Auditor General is questioning the legal authority for budgetary carry-forwards of $31.3 million last year and $11.7 million this year. Expenditures from the $31.3 million questioned last year amounted to $5.2 million this year.

D. Statutory/Budgetary Reconciliation - General Fund and Special Revenue Funds

The statutory/budgetary basis presentation differs from GAAP in ways that do not affect ending fund balance:

Encumbrances: As explained in Note #1, the State records encumbrances at year-end only if they meet certain criteria. For budgetary reporting purposes, the recorded encumbrances are included with expenditures and operating transfers in the "Actual" columns because they are considered uses of spending authority in the year the State incurs an obligation. The "Budget" columns include encumbrance authorization balances carried over from the prior fiscal year because they provided spending authority in the current year. In the GAAP basis statements, encumbrances are not included as expenditures. The effect of this difference is reflected as a reconciling item on the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General and Special Revenue Funds." The encumbrance of spending authority is recorded as a reservation of fund balance under both bases of accounting.

Capital leases: For budgetary purposes, capitalizable lease expenditures are recognized when payments are due, rather than upon lease inception as required by GAAP. This difference does not affect fund balance because the "other financing sources" recorded under GAAP at lease inception are not recorded on the statutory/budgetary basis.

Note 3 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

E. Budgetary Overdrafts

The following summarizes line-item overexpenditures, which represent noncompliance with state budget laws, of State funds incurred during the year (in thousands):

General Fund	
Legislative	$ 89
Management and Budget	9
Education	123
Public Health	4,051
Mental Health	27,469
Social Services	66,301
Corrections	10,081
Military Affairs	17
State Police	175
Commerce	1
Labor	763
Licensing and Regulation	4
Natural Resources	650
Agriculture	3
Items not assigned to departments	14,667
General Fund Total	$124,411
Special Revenue Funds	
State Aeronautics Fund	$ 156
State Trunkline Fund	1,676
Game and Fish Protection Fund	8
School Aid Fund	883
Special Revenue Funds Total	$ 2,726

NOTE 4 — ACCOUNTING CHANGES

Municipal Employees' Retirement Fund

In prior fiscal years, the Municipal Employees' Retirement Fund, which is administered by the State on behalf of local units of government, was classified as an expendable trust fund. This year the fund is reported in the pension trust fund group. In prior years the fund was excluded from the pension fund group because, in contrast with the other pension funds reported in these statements, the State role is purely fiduciary and the State has no obligation to make contributions to the fund. Current accounting practices for pension accounting emphasize the nature of the fund and the accounting basis (i.e., accrual) used in its separately issued reports, rather than the relationship between the fund and the reporting entity. This change in fund classification for State financial reporting purposes has no effect on the legal relationship of the fund to the State.

The effect of this change, which is being reported on a restatement basis, on the Combined Balance Sheet at October 1, 1988 was to increase the amounts reported in the trust and agency fund column as fund equity reserved for pension benefits by $1,165.1 million, and decrease the amount of unreserved expendable trust fund balances by a like amount. The amounts of revenues, expenditures, and excess of revenues and other sources over expenditures and other uses reported in the expendable trust fund column of the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances were decreased by $152.8 million, $62.5 million, and $90.1 million, respectively, with similar increases in operating revenues, expenses, and net income, respectively, reported in the pension trust fund column of Combined Statement of Revenues, Expenses, and Changes in Retained Earnings and Fund Balances.

Michigan State Hospital Finance Authority (MSHFA) Defeased Bonds

The MSHFA, a component unit reported as an enterprise fund, changed the accounting methods it uses to account for MSHFA bonds which hospitals have advance funded by placing amounts in trust with the State Treasurer as fiscal agent. In prior years, such bonds payable and related investments were reported as liabilities and assets of the MSHFA, with footnote disclosures describing the nature of these transactions. This year, it was determined that it would be more appropriate to segregate the amounts related to such defeased bonds in a separate fund. A new agency fund, the Michigan State Hospital Finance Authority Defeased Bonds Fund, was created and is now reported in these statements in that fund group.

Note 4 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

The effect of this change, which is being reported on a restatement basis, on the Combined Balance Sheet as of October 1, 1988 was to decrease enterprise fund assets and liabilities by $856.2 million; retained earnings was not affected. Agency fund assets and liabilities were increased by $820.5 million. On the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings and Fund Balances for the enterprise funds, investment revenues and interest expense are reduced by the amounts related to the defeased bonds, as these are now considered additions and deductions to the agency fund's accounts.

Financial Institution Deposits Fund

This fund was established as an agency fund to account for bank trust department security deposits held by the State. The effect of this change on the trust and agency fund column in the Combined Balance Sheet as of September 30, 1989 was to increase assets and liabilities by $28.1 million; the amount of such deposits as of October 1, 1988 has not been determined.

Michigan Education Trust

At the end of the prior fiscal year, the Michigan Education Trust (MET) was in the midst of its first enrollment period and the relatively limited financial activity was reported in the expendable trust fund group. This year MET is being reported in the enterprise fund group and accrual accounting principles are being applied. The effect of this change, which is being reported on a restatement basis, on the Combined Balance Sheet as of October 1, 1988 was to increase enterprise fund assets and liabilities by $11.6 million and $12.5 million, respectively. A retained earnings deficit of $.9 million at October 1, 1988 reflects the losses incurred in the development stage in prior years. Trust and agency fund assets, liabilities, and unreserved fund balance were decreased by $12.7 million, $12.7 million, and $35 thousand, respectively, as of October 1, 1988. The effect on the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings and Fund Balances for the enterprise funds is demonstrated in Note #25, "Segment Information".

Pension Fund Statement of Changes in Financial Position

The Governmental Accounting Standards Board recently issued Statement #9, which eliminates the requirement of reporting a statement of changes in financial position for pension trust funds. The pension trust fund column has, therefore, been deleted from the Combined Statement of Changes in Financial Position.

NOTE 5 — TREASURER'S COMMON CASH

A. General Accounting Policies

The State Treasurer manages the State's common cash pool, which is used by most State funds. The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments of the pool are not segregated by fund, rather, each contributing fund's balance is treated as equity in the pool, which is recorded in separate accounts within the General Fund. Many funds, including retirement funds, use their equity in the pool as a short-term investment vehicle. The Treasurer annually publishes the "Annual Report of the State Treasurer" which includes audited schedules of Common Cash Assets and Equities, Fund Investments by Type of Security, and Investment Earnings.

In the State's Comprehensive Annual Financial Report, the pooled cash is not reported as a separate fund, rather each fund's balance in the pool is reported on the balance sheet on the line "Equity in Common Cash." Beginning with this fiscal year, all negative balances in the pool are reclassified at year-end as interfund liabilities, with an appropriate fund recording the receivable. If the negative balance is considered long-term, the reclassification is recorded as an advance.

Accrued earnings of the pool are recorded as "other assets" in the General Fund and accrued distributions for the quarter ending September 30 are reflected as interfund receivables and payables. Interest revenues on positive balances and interest charges on negative balances are reflected as revenues or expenditures/expenses of each of the participating funds using the reimbursement method.

Whether a particular fund receives or pays interest on its balances in the pool is determined by statute or administrative policy. If a fund does not receive or pay interest, the General Fund receives or absorbs such amounts. Earnings on positive balances and charges on negative balances are allocated quarterly based upon the average daily balances of the various funds and the average investment earnings rate for the quarter.

Note 5 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

B. Investments and Deposits

The investment authority for the common cash pool is found in P.A. 105 of 1855, as amended. The State Treasurer may invest surplus funds belonging to the State in the bonds, notes, and other evidences of indebtedness of the United States Government, and its agencies; and in prime commercial paper. Certificates of deposit are permitted in financial institutions whose principal office is located in the State of Michigan.

The Treasurer invests excess cash in short-term investments, mostly prime commercial paper. The Treasurer is not prohibited by law from entering into repurchase agreements; however, the Treasurer did not use these agreements in managing the pool in 1988-89.

Statutes provide for certain special State investment programs for which the General Fund is credited (charged) for earnings in excess (under) those achieved by regular pool investments. There have been no principal losses because of these to date. The programs are as follows:

Emergency Loans to Local Units of Government: The Treasurer may loan not more than a combined total of $5 million in any one fiscal year to qualifying cities, villages, or townships in amounts as approved by the Emergency Financial Assistance Loan Board.

The Board has also been authorized to approve the lending of up to $120 million to Wayne County to finance the payment of certain obligations to the State. Under a loan agreement made in 1987-88, the State loaned the County $61.9 million in 1987-88 and $7.0 million in 1988-89 for a total amount loaned to date of $68.9 million. Loan repayments by the County are supported by provisions of the loan agreement and legislation which pledge the County's share of a portion of the State collected taxes on cigarettes. Repayments on the loan to date total $18.9 million; repayments this fiscal year totalled $4.1 million. Projected principal payments on the loan are approximately $4.0 million annually, through 2002. After 2002 $16.0 million will be available annually. As explained more fully in Note #8, additional loans of $14.5 million are anticipated for 1989-90.

Under the provisions of the loan agreement with the County, interest on the loan is forgiven if the County meets certain criteria. If the interest is forgiven, the General Fund absorbs the loss through a reduction of its portion of the pool's investment income. Since it is anticipated that the County will continue to satisfy the criteria allowing forgiveness, the loan and the General Fund's equity in common cash have been discounted to present value. The discount on the $61.9 million loaned in 1987-88 amounted to $15.1 million and the discount on the $7.0 million loaned in 1988-89 amounted to $4.3 million; discounts to date total $19.4 million. Amortization of the discount is recorded as an increase in General Fund interest income and this totalled $2.2 million this fiscal year.

Farm Disaster Relief Program: Created in 1986, this program permits the Treasurer to invest up to $200 million in zero percent rate of interest certificates of deposit and notes of financial institutions for a term of at least 3 years for the purpose of providing the financial institutions with funds to lend to farmers with weather related losses in 1986 at zero percent rate of interest. Repayment to the State by financial institutions must be made after 3 years unless a financial institution can show on an annual basis that the farmer to whom a loan has been made is experiencing financial distress, in which case the State investment may remain outstanding for an additional 7 years.

The following schedule of assets and equities (in millions) is a summary of the common cash pool as of September 30.

	1989	1988
ASSETS		
Cash on hand	$ -	$ .1
Demand deposits	21.3	112.6
Time deposits -- regular	24.9	14.8
Time deposits & notes -- Farm Disaster Relief Program	30.1	151.6
Prime commercial paper -- at cost	2,098.4	1,706.4
U.S. Treasury bonds -- at cost	5.1	5.1
Emergency loans to local units -- at cost	62.1	74.3
Less discount on interest free loan	(17.2)	(15.3)
Total assets	$2,225.0	$2,049.8
EQUITIES		
Fund equities (net) in common cash (1)	$2,209.4	$2,032.2
Imprest cash and other items	15.6	17.5
Net fund equities	$2,225.0	$2,049.8

Note 5 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

(1) Negative balances in the pool were reclassified at year-end as interfund receivables and liabilities. Within the governmental type funds, the General Fund recorded receivables ($161.1 million) from: the School Aid Fund ($153.2 million), Recreation Bond Fund - Local Projects ($.2 million), Environmental Protection Bond Fund ($2.4 million), Recreation Bond Fund - State Projects ($.1 million), and the State Building Authority Advance Financing (capital projects) Fund ($5.2 million). Within the enterprise type funds, the Liquor Purchase Revolving Fund recorded long-term advances receivable ($4.3 million) from the Michigan State Fair Revolving Fund ($3.8 million), and the Department of Natural Resources Magazine Fund ($.5 million). Within the internal service type funds, the State Sponsored Group Insurance Fund recorded current receivables ($5.6 million) and long-term advances receivable ($30.5 million) from the Motor Transport Revolving Fund ($5.0 million current, $30.5 million long-term) and the Telecommunications Revolving Fund ($.6 million, current).

At September 30, 1989 and 1988, the market value of prime commercial paper was $2,108.0 and $1,714.4 million, respectively and the market value of the U.S. Treasury bonds was $5.3 million and $5.1 million, respectively. Using the GASB categories of credit risk (described in Note #9), all of the investments are in category 1, except for $1,394.5 million of prime commercial paper which falls in category 2. The category 2 prime commercial paper investments are those where the State's agent is one of the issuing banks for the issuer.

Deposits, including time, demand, and agricultural loan program deposits, are fully insured by the FDIC ($11.6 million) or collateralized with securities held by the State's agent in the State's name ($54.5 million), except for uncollected deposits ($9.0 million). Using the GASB categories of deposit credit risk (described in Note #9), all of the deposits, except for the uncollected deposits, are in category 1.

Of the Farm Disaster Relief program amounts, $27.8 million is categorized (risk category #1) as deposits with banks and $2.3 million is categorized with investments (e.g., notes receivable from production credit associations and banks).

NOTE 6 — TAXES RECEIVABLE

In general, taxes receivable represent amounts due to the State at September 30 that were received by the State within approximately 60 days after that date. Sales, use, and income taxes are accrued to the extent that the related sales or wage payments occurred prior to October 1 and the State receives deposits prior to December 1. Annual tax payments (e.g. those filed on an annual basis) have not been accrued because they are neither reasonably estimable nor available. Single business tax revenue is similarly accrued, with receipts received prior to December 1 (i.e., quarterly filings are due November 30) recognized as revenue to the extent that the activities being taxed occurred prior to October 1. The telephone and telegraph taxes are due December 1 and are received at approximately that time. Delinquent taxes are recognized to the extent that they will be collected within 12 months, except for the Michigan Unemployment Compensation Fund (expendable trust) which only records taxes received within 60 days as receivables.

Taxes receivable (amounts expressed in millions), as of September 30, consisted of the following:

	FUND TYPES				
	General	Special Revenue	Expendable Trust	1989 Total	1988 Total
Tax					
Sales & use	$ 231.5	$ 201.3	$ -	$ 432.9	$ 476.2
Individual income	600.1	-	-	600.1	542.6
Single business	510.7	-	-	510.7	540.5
Telephone & telegraph	69.3	-	-	69.3	64.2
Motor fuel	-	90.1	-	90.1	87.3
Cigarette	26.9	2.3	-	29.3	28.4
Unemployment	-	-	139.6	139.6	144.5
Other	36.0	22.9	-	58.9	45.4
Penalties and interest	451.1	-	-	451.1	425.6
Gross taxes receivable	1,925.8	316.7	139.6	2,382.2	2,354.7
Less allowance for uncollectibles	(802.0)	(104.9)	-	(907.0)	(895.5)
Total taxes receivable (net)	$1,123.7	$ 211.7	$ 139.6	$1,475.2	$1,459.1
As Reported on Balance Sheet					
Current taxes receivable	$1,071.5	$ 206.8	$ 139.6	$1,418.0	$1,419.3
Noncurrent taxes receivable	52.2	4.9	-	57.1	39.8
Total taxes receivable (net)	$1,123.7	$ 211.7	$ 139.6	$1,475.2	$1,459.1

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 7 — INCOME TAX CREDITS

The Michigan Income Tax Act allows for tax credits which are applied against the computed individual income tax amount. The property tax and home heating credits may exceed an individual's tax liability and generate a payment to the individual. These credits are accounted for as a reduction of income tax revenue, similar to over withholding refunds.

Public Act 516 of 1988 provided for a new tax credit. Senior citizens are eligible for tax credits based upon the purchase of prescription drugs. The cost of the program, including administration, is limited to a maximum of $20.0 million.

Calendar year 1989 estimates and 1988 actual return credits are presented in the following table (in millions):

	CALENDAR YEAR	
	1989 Estimate	1988 Actual
Property tax credits		
General homestead	$360.0	$322.4
Senior citizens	315.0	296.5
Farmland preservation	55.0	54.9
Other	14.0	13.5
Subtotal - property tax credits	744.0	687.3
Other credits		
City income tax	33.0	31.4
College contributions	17.5	16.5
Home heating (including federal share)	35.0	34.9
Senior citizens' prescription drugs	19.5	-
Others	21.0	19.8
Total individual income tax credits	$870.0	$789.9

Of the 1989 estimated credits, $589.9 million has been established as a liability of the General Fund at September 30, 1989 and is included in the "Income Tax Refunds Payable" amount of $795.9 million.

NOTE 8 — LOCAL UNIT SETTLEMENT DISCOUNTS

The General Fund other financing use of $14.6 million on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances line titled "Local unit settlement discounts" resulted from the discounts, calculated at a rate of 8.432%, on a loan made during the year and an additional loan anticipated to be made to Wayne County from the State's common cash pool. As explained more fully in Note #5, such loans are authorized by the State's Local Emergency Financial Assistance Loan Board under the loan agreement dated July 21, 1988.

Under this agreement the State loaned the County $7.0 million in 1988-89. The General Fund's equity in common cash has been reduced to present value by recording a discount of $4.3 million for this loan. It is anticipated that an additional loan of $14.5 million will be made in 1989-90 to finance repayment of certain other State receivables from the County. These receivables have, therefore, been discounted to a present value of $4.2 million by recording a discount of $10.3 million.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 9 — DEPOSITS AND INVESTMENTS

A. General Information

This note provides information for all deposits and investments except those of the Common Cash pool which are described in Note #5. The following table summarizes "Investments" (including deposits with financial institutions that are held for investment purposes) as reported on the balance sheet (in millions):

Fund Type	Current Investments	Noncurrent Investments	Total Investments
General Fund	$ -	$ -	$ -
Special Revenue			
State Funds	-	29.3	29.3
Component Units:			
State Building Authority	26.9	-	26.9
Other Component Units	14.0	-	14.0
Total	41.0	29.3	70.3
Debt Service			
State Funds	1.4	1.5	2.9
Component Units:			
State Building Authority	128.5	70.6	199.1
Total	129.9	72.1	202.0
Capital Projects			
Component Units:			
State Building Authority	46.8	-	46.8
Total	46.8	-	46.8
Enterprise			
State Funds:			
State Lottery Fund	46.8	413.4	460.2
Component Units:			
Michigan State Housing Development Authority	437.9	296.4	734.3
Michigan State Hospital Finance Authority	189.6	163.7	353.4
Michigan Education Trust	286.8	-	286.8
Michigan Higher Education Assistance Authority	38.1	-	38.1
Other Component Units	42.6	129.5	172.1
Total	$1,042.0	$ 1,003.1	$2,045.1
Trust and Agency			
State Funds:			
Pension Trust Funds	$ 2,272.6	$14,031.1	$16,303.7
State Employees' Deferred Compensation Fund I (457)	-	729.8	729.8
Other State Funds	21.3	417.7	439.1
Component Units:			
Michigan Unemployment Compensation Fund	1,222.1	-	1,222.1
Total	3,516.1	15,178.6	18,694.8
Total Investments	$ 4,775.9	$16,283.3	$21,059.3
Total State Funds	2,342.2	15,622.9	17,965.2
Total Component Units	2,433.7	660.4	3,094.1
Total Investments	$ 4,775.9	$16,283.3	$21,059.3

The GASB's Statement 3 requires certain disclosures regarding policies and practices with respect to deposits and investments and the credit risk associated with them.

Note 9 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Deposits: In accord with Statement 3, deposits are classified into three categories of credit risk, as follows:

Category 1: Insured or collateralized with securities held by the entity or by its agent in the entity's name

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name

Category 3: Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.)

Investments: In accord with Statement 3, investments are also classified into three categories of credit risk, as follows:

Category 1: Insured or registered, or securities held by the entity or its agent in the entity's name

Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name

Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name. (This includes the portion of the carrying amount of any repurchase agreement that exceeds the market value of the underlying securities.)

Certain types of investments, such as money market funds and mutual funds, are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Because a combining of the disclosures for all of the various funds and component units would not provide a useful description for the various entities involved, the State has chosen to present these disclosures separately for the major entities with investments. Disclosures for State funds have been broken into two basic categories: pension system funds and other funds. Information regarding these deposits and investments was provided by the State Treasurer, who manages these investments.

Information for component units has been excerpted or summarized from the separately issued financial reports for each component unit. Readers interested in more detail regarding particular component units may wish to obtain the separately issued financial reports.

B. State Funds' Investments

Investment Authority and Policies

Investment authority for the State's pension funds is found in P.A. 314 of 1965, as amended. This act allows the State Treasurer, as investment fiduciary, to make diverse investments in stocks, corporate and government bonds and notes, mortgages, real estate, venture capital, and other investments. The act has prudence standards and requires that the assets of a retirement system shall be invested solely in the interest of the participants and beneficiaries and be made for the exclusive purpose of providing benefits to the participants and the participants' beneficiaries, and of defraying reasonable expenses of investing the assets of the state system. Public Acts 252 and 253 of 1988, with an effective date of January 1, 1989, amended the statute to prohibit new investments in companies that do business in South Africa and require a phased in divestiture of such investments.

The State Treasurer is also authorized to invest a limited amount of pension funds in futures contracts. Such investments were made in S & P 500 Index futures contracts during the year, however, no such investments were outstanding at year-end.

The investment authority for other State funds is found in their enabling legislations and/or their bond resolutions where applicable. With the exception of deferred compensation plans, which primarily invest in guaranteed investment contracts with insurance companies, the investments of the non-pension funds are comprised mostly of United States government securities.

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Note 9 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

As a matter of administrative policy, the State Treasurer makes only limited use of investments in repurchase agreements. The Municipal Employees' Retirement Fund held a repurchase agreement of $30.0 million at year-end, with collateral held by an agent for the State. Repurchase agreements are also used for the State Park Revenue Bond Fund, a "fiscal agent" fund which does not participate in the common cash pool; however, no such investments were outstanding at year-end.

The following table shows the carrying amounts and market values of investments of the State funds by investment type and in total (in millions) at September 30, 1989:

Type of Investment	Carrying Amount: Pension Trust Funds	Carrying Amount: Other State Funds	Carrying Amount: Total	Market Value
Prime commercial paper	$ 2,242.1	$ -	$ 2,242.1	$ 2,252.0
Repurchase agreements	30.0	-	30.0	30.7
Bankers' acceptances	.5	-	.5	.5
Government securities	2,856.9	720.6	3,577.5	3,664.1
Corporate bonds and investment contracts	2,419.7	903.5	3,323.2	3,307.5
Convertible bonds	64.6	.7	65.3	67.5
Preferred stock	14.9	3.0	18.0	18.3
Equities	6,272.4	15.0	6,287.5	7,774.1
Mortgages	971.5	-	971.5	1,109.2
Real estate	1,051.2	-	1,051.2	1,135.8
Venture capital and leveraged buyouts	379.5	-	379.5	460.2
Mutual funds (401k)	-	18.3	18.3	18.3
Total	$16,303.7	$ 1,661.4	$17,965.2	$19,838.8

All of the State funds' investments fall into GASB's credit risk category #1, except for: $946.1 million of prime commercial paper and $.5 million of bankers acceptances, which fall into category #2; $5.0 million of government securities (category #3); and the mutual fund (401k) investments, which are not categorized. Additional detail regarding the carrying amount and market value of pension funds is provided in Note #12. Of the "Other State Funds," the largest holders of investments were the State Lottery Fund (28%) and the State Employees' Deferred Compensation I (457) Fund (44%).

The State Lottery Fund investments ($460.2 million) are all in the form of zero coupon U.S. Treasury bonds. As described more fully in Note #18, these investments are held to provide funding for deferred prize awards.

The State's section 457 deferred compensation plan investments ($729.8 million) are all in the form of guaranteed investment contracts with insurance companies and these are classified with "Corporate bonds and investment contracts" in the preceding table. Additional information on this plan and the section 401k deferred compensation plan is provided in Note #19.

C. Component Unit Deposits and Investments

The following information is derived from separately issued component unit financial reports:

State Building Authority (SBA)

Deposits -- The carrying amount of the SBA's deposits at September 30, 1989 was $2.0 million. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at $2.2 million. The entire bank balance was covered by federal depository insurance, or collateral held with the Authority's agent in the Authority's name (GASB credit risk category #1).

Investments - The State Treasurer, acting as agent, is authorized by the bond resolution to invest surplus monies of the SBA in direct obligations of the U.S. government, obligations unconditionally guaranteed by the U.S. government, certain commercial paper, and U.S. government repurchase agreements. The SBA's investments in U.S. government money market funds complies with the bond resolution.

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Note 9 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Investments of the SBA, including deposits classified as investments on the balance sheet, at September 30, 1989 were as follows (in millions):

	Carrying Amount	Market Value
Deposits:		
Certificates of deposit	$ 5.8	$ 5.8
Investments:		
Repurchase agreements	95.7	95.7
U.S. government securities	170.2	171.6
State and local government securities	.8	.8
U.S. government money market funds	.3	.3
Total Investments	$272.9	$274.3

The certificates of deposit were covered by collateral held with the Authority's agent in the Authority's name (GASB credit risk category #1). All of the investments fall in GASB credit risk category #2, except for $14.7 million of repurchase agreements categorized as GASB credit risk category #3 and the U.S. government money market funds, which are not categorized.

Michigan State Housing Development Authority (MSHDA)

Statutes authorize MSHDA to invest, at its discretion, funds held in reserve or sinking funds, or monies not required for immediate use or disbursement, in obligations of the State or the U.S. government, in obligations the principal and interest of which are guaranteed by the State or U.S. government, or in other obligations as may be approved by the State Treasurer.

Included in cash and investments of the Authority are funds held in trust for mortgagors with a carrying value of $174.5 million at June 30, 1989.

Investments of the MSHDA, including deposits classified as investments on the balance sheet, at June 30, 1989 were as follows (in millions):

	GASB Category				Total Carrying Value	Market Value
	#1	#2	#3	Not Categorized		
Deposits:						
Certificates of deposit.....	$124.1	$ -	$ -	$ -	$124.1	$124.1
Investments:						
Government securities.....	-	187.7	18.0	-	205.8	228.7
Insured mortgage backed securities.	-	80.3	23.2	-	103.5	102.9
Government backed securities.....	-	5.1	91.8	-	96.9	100.9
Investment agreement.....	-	173.8	-	-	173.8	173.8
Tax-exempt commercial paper.....	-	-	11.7	-	11.7	11.7
Government money market funds.....	-	-	-	12.3	12.3	12.3
Repurchase agreements.....	-	5.9	-	-	5.9	5.9
Total Investments.....	$124.1	$453.0	$144.8	$ 12.3	$734.3	$760.7

Certificates of deposit were entirely covered by federal depository insurance or required collateral held by the Authority's custodial banks in their fiduciary Federal Reserve accounts with the Authority identified as the secured party.

The majority of the government securities ($187.7 million) owned by the Authority are on deposit with the Authority's custodial banks. These banks hold these securities by book entry in their fiduciary Federal Reserve accounts for their trust departments. The Authority's ownership of these securities has been identified in the internal records of the banks. Other government securities are held by broker/dealers in their street names for the Authority's account ($18.0 million). Some insured mortgage backed securities are held by the Authority's custodial bank in a New York custodial account for the bank's trust department (80.3 million). These securities are registered in the bank's name with internal bank records identifying the Authority's ownership. The remaining insured mortgage backed securities ($23.2 million) and tax-exempt commercial paper ($11.7 million) are held by broker/dealers in their street names for the Authority's account. Government backed securities are held by the custodial banks' trust departments in the Authority's name ($5.1 million) and by broker/dealers in their street name for the Authority's account ($91.8 million). The Authority's unsecured investment agreement has been approved by the State Treasurer in compliance with State statutes. Repurchase agreements have been adequately supported by bank government securities deposited in the banks' fiduciary Federal Reserve accounts with the Authority identified as the buyer.

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Note 9 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Michigan State Hospital Finance Authority (MSHFA)

Deposits - The carrying amount of the MSHFA's deposits at June 30, 1989 was $3.4 million and the bank balance was $3.5 million. The entire bank balance was covered by federal depository insurance, or collateral held with the Authority's agent in the Authority's name (GASB credit risk category #1).

Investments - Investments are restricted to obligations of the State or U.S. government, obligations the principal and interest of which are guaranteed by the State or U.S. government, or certificates of deposit of a bank which is a member of the Federal Reserve System or a savings and loan association which is a member of the Federal Home Loan Bank System. Certain other restrictions as to investments are contained in the bond resolution for each bond issue.

A portion of the Authority's investments is held in short-term repurchase agreements (that is, a purchase of securities with a simultaneous agreement to resell them in the future at the same price plus a contract rate of interest) with a bank. The Authority's policies for investment transactions involving repurchase agreements are substantially the same as those for all other investments. All repurchase agreements entered into by the Authority are collateralized by U.S. Treasury notes. The U.S. Treasury notes underlying the repurchase agreements are held either by the Authority's agent, or by the financial institution from which the repurchase agreements were purchased, but not in the Authority's name.

Through arrangement with the State Treasurer, acting as agent, the Authority is permitted to invest all cash which is available on a day-to-day basis. Uncashed drafts are classified as drafts outstanding, therefore, monies available for investment include both demand deposits and drafts outstanding. It is required by the bond resolutions that all money deposited with any depository (excluding deposits held by the State Treasurer) in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured to the extent permitted by law by obligations of the United States or of the State of a market value at all times equal to the amount of such excess deposit.

Investments of the MSHFA, including deposits classified as investments on the balance sheet, as of June 30, 1989 were as follows (in millions):

	Carrying Amount	Market Value
Deposits:		
Certificates of deposits	$ 60.7	$ 60.7
Investments:		
U.S. Treasury bills	3.5	3.5
U.S. Treasury notes	173.0	173.8
U.S. Treasury coupon strips	15.8	15.8
Certificates of indebtedness	5.8	5.8
Repurchase agreements secured by U.S. Treasury notes	96.5	96.5
Total	355.6	$356.2
Less deferred gain on sale of investments (see below)	(2.1)	
Total Investments	$353.4	

During fiscal year 1989, the Authority sold certain investments and replaced them with similar investments having higher yields. The gain on the sale of these investments has been deferred and is being amortized to expense over the life of the new investments using the interest method.

All securities were held either by the MSHFA's agent or by the financial institution from which they were purchased (the counterparty), but not in the MSHFA's name (GASB credit risk category #3).

All investments are committed for either future loans or long-term debt requirements.

Michigan Education Trust (MET)

Deposits - The carrying amount of the MET's deposits at September 30, 1989 was $260,355. The deposits were reflected in the accounts of the bank at $260,355. Of the bank's balance, $100,000 was covered by federal depository insurance coverage (GASB credit risk category #1) and $160,355 was uninsured and uncollateralized (GASB credit risk category #3). Deposits generally total less than $100,000.

Note 9 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Investments - Investment authority for the MET is found in P.A. 316 of 1986. This act allows the MET board to enter into an investment agreement with the State Treasurer. This investment agreement allows the State Treasurer, acting as agent, to make diverse investments in stocks, corporate and government bonds and notes, mortgages, real estate, venture capital, and other investments. The agreement provides for periodic reporting of investment activity and results to, and oversight by, the MET board.

The investments of the MET at September 30, 1989 are all in the form of prime commercial paper with a carrying value and a market value of $286.8 million. The investments fall in GASB credit risk category #2.

Michigan Higher Education Assistance Authority (MHEAA)

Deposits - At September 30, 1989, the carrying amount of the MHEAA's cash deposits was $-0- and the bank's balance was $222,919. Of the bank's balance, $100,000 was covered by federal depository insurance (GASB credit risk category #1) and $122,919 was uninsured and uncollateralized (GASB credit risk category #3).

Due to higher cash flows at certain times of the year, the MHEAA's investment in uncollateralized deposits held by the bank increased significantly at times. The maximum amount during the year of "uninsured and uncollateralized" deposits was approximately $1.4 million.

Investments - Investments of the MHEAA, including deposits classified as investments on the balance sheet, as of September 30, 1989 were as follows (in millions):

	Carrying Amount	Market Value
Deposits:		
Certificate of deposit	$12.2	$12.2
Investments:		
Money market funds government securities	9.6	9.6
U.S. government securities	16.2	16.1
Total Investments	$38.1	$38.0

The certificates of deposit and U.S. government securities were held by the MHEAA or its agents in the Authority's name (GASB credit risk category #1). The money market funds are not categorized.

Michigan Higher Education Student Loan Authority (MHESLA)

Deposits - At September 30, 1989, the carrying amount of the MHESLA's cash deposits was $5,977,461 and the bank's balance was $5,723,619. Of the bank's balance, $396,845 was covered by federal depository insurance (GASB credit risk category #1) and $5,326,774 was uninsured and uncollateralized (GASB credit risk category #3).

Due to higher cash flows at certain times of the year, the MHESLA's investment in uncollateralized deposits held by the bank increased significantly at times. The maximum amount during the year of "uninsured and uncollateralized" deposits was approximately $5.3 million.

Investments - Investments of the MHESLA at September 30, 1989 were as follows (in millions):

	Carrying Amount	Market Value
Investment agreement	$38.4	$38.4
U.S. government securities	34.0	34.3
Total Investments	$72.4	$72.7

The U.S. government securities were registered and held by the Authority's agent in the Authority name (GASB credit risk category #1). The investment agreement is not categorized.

Note 9 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

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Michigan Strategic Fund (MSF)

Deposits - The carrying amount of MSF's deposits at September 30, 1989 was $2,423,141. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at $2,434,272. Of the bank's balance, $1,804,778 was covered by federal depository insurance (GASB credit risk category #1) and $629,494 was uninsured and uncollateralized (GASB credit risk category #3).

The MSF believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, it evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments - The MSF is authorized to invest surplus monies in direct obligations of the U.S. government, obligations unconditionally guaranteed by the U.S. government, certain commercial paper, and U.S. government repurchase agreements. Investments as of September 30, 1989 are summarized below (in millions):

	Carrying Amount	Market Value
U.S. government securities	$58.5	$58.6
Commercial paper	37.8	38.4
Bank cash management funds	1.7	1.7
Total Investments	$98.1	$98.7

All of the U.S. government security and commercial paper investments ($96.4 million) fall into the GASB's risk category #3. The bank cash management funds are not categorized. The investments in the funds comply with bond resolution requirements.

Mackinac Bridge Authority (MBA)

At September 30, 1989, the carrying amount of the MBA's deposits was $68,377 and the bank balance was $317,802. Of the bank balance, $160,895 was covered by federal depository insurance (GASB deposit risk category #1), $150,000 was collateralized (GASB deposit risk category #2), and $6,907 was uninsured (GASB deposit risk category #3). The MBA is authorized to invest in obligations of the U.S. Treasury. At September 30, 1989, the carrying amount of U.S. Treasury bills was $14,077,952 and the market value was $14,395,524. These investments were uninsured, unregistered and held by the Bank's trust department's agent in the Authority's name (GASB risk category #2).

Mackinac Island State Park Commission (MISPC)

The carrying amount of MISPC investments at September 30, 1989 was $1,481,689. This included a $120,000 U.S. Treasury note which had a market value of $139,215 and falls into GASB credit risk category #2. Investments on the balance sheet also include certificates of deposit totaling $149,005, of which $140,000 is classified as GASB deposit risk category #1 and $9,005 in GASB deposit risk category #2. Treasury bills with a carrying value of $273,513 are classified in GASB risk category #2. Investments in government security unit trusts with a carrying value of $939,170 are not categorized.

Michigan Unemployment Compensation Fund (MUCF)

Deposits - At September 30, 1989, the carrying amount of the MUCF's bank deposits was $(5,360,760), and the bank balance was $2,413,883. Of the bank balance, $217,997 was covered by federal depository insurance (GASB deposit risk category #1) and $2,195,886 was covered by collateral held in book entry securities by pledging custodial banks at a Federal Reserve Bank (GASB deposit risk category #2).

Investments - Investments ($1,222.1 million) represents the MUCF's interest, at cost (approximates market), in a U.S. Treasury trust fund managed by the Secretary of the Treasury pursuant to Title IX of the Social Security Act, which includes deposits from the unemployment compensation funds of various states. The trust fund is required by statute to invest only in obligations guaranteed by the U.S. government. The MUCF is credited quarterly with trust fund investment earnings only to the extent the Fund's equity in the trust fund exceeds the balance of outstanding advances (see Note #17) made to the MUCF, as computed on a daily basis.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 10 — MORTGAGES AND LOANS RECEIVABLE

Mortgages and loans receivable (in millions) reported in the enterprise fund group consist of the following:

	Mortgages and Loans Receivable (Gross)	Unamortized Discount and Deferred Loan Origination Fees	Allowance for Possible Losses	Mortgages and Loans Receivable (Net)
Michigan State Housing Development Authority	$1,655.9	$ (9.0)	$ (22.5)	$1,624.4
Michigan State Hospital Finance Authority	1,219.7	(25.3)	-	1,194.3
Michigan Higher Education Student Loan Authority	122.8	-	-	122.8
Michigan Higher Education Assistance Authority	3.6	-	(2.7)	.8
Michigan Strategic Fund	28.4	-	(12.0)	16.4
	$3,030.5	$ (34.3)	$ (37.2)	$2,958.8

The Michigan State Housing Development Authority had loan commitments outstanding at June 30, 1989 of $69.2 million. The Michigan Strategic Fund had loan commitments outstanding at September 30, 1989 of $2.7 million.

Mortgages held as investments by pension trust funds ($971.5 million at book) are reflected as long-term investments.

NOTE 11 — PROPERTY, PLANT, AND EQUIPMENT

Proprietary Funds

Classification: The following table summarizes, by major class of asset, the recorded costs of fixed assets included in proprietary funds, as of September 30, 1989 (in millions):

Classification	Enterprise Funds	Internal Service Funds
Land	$ 9.8	$ -
Buildings and Equipment	40.6	150.0
Construction in Progress	.2	5.8
Total	50.7	155.9
Allowance for Depreciation	(20.7)	(54.5)
Net Property, Plant, and Equipment	$ 30.0	$101.3

Depreciation: Depreciation methods and useful life estimates used for buildings and equipment vary between the different funds and component units. The estimated service lives of the respective assets range from 5 to 60 years for buildings and 3 to 20 years for equipment. Several funds and component units in the proprietary and pension trust fund classes do not capitalize and depreciate their fixed assets if the asset costs are insignificant in comparison to total operating costs.

Note 11 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

General Fixed Assets

Changes by Classification: The following table summarizes, by major class of asset, the changes in recorded costs for the General Fixed Assets Account Group (in millions). Increases and decreases in general fixed assets which resulted from fiscal year 1988-89 transactions are reflected in the additions and deletions columns. The adjustments and reclassifications column includes the reclassification of completed construction projects from construction in progress to land and buildings and various other adjustments.

Classification	Balance September 30, 1988	Additions	Deletions	Adjustments and reclassifications	Balance September 30, 1989
Land	$ 182.6	$ 5.7	$ 1.7	$ .9	$ 187.5
Buildings	1,088.0	87.3	27.5	210.8	1,358.8
Equipment	417.3	58.7	19.0	(13.6)	443.2
Construction in Progress	226.9	230.2	-	(216.6)	240.5
Total General Fixed Assets.	$1,914.9	$382.1	$ 48.3	$ (18.5)	$2,230.1

Funding Source: The following summarizes the funding source of the investment in general fixed assets as of September 30, 1989 (in millions):

Fund	Investment
General Fund	$1,685.0
Special Revenue Funds:	
Transportation Related	139.8
Conservation and Recreation Related	38.2
Regulatory and Administrative Related	35.4
Mackinac Bridge Authority	1.4
Capital Projects Funds	330.1
Total Investment in General Fixed Assets..	$2,230.1

Construction in Progress: The following summarizes the major types of projects included in construction in progress as of September 30, 1989 (in millions):

Type of Project	Estimated Cost	Authorized	Expended
Correctional facilities:			
New prisons	$449.9	$449.9	$175.1
Other	83.1	55.1	28.9
Other projects	100.0	98.5	36.4
Totals	$633.1	$603.7	$240.5

In addition to the projects noted above, the State has planned other construction projects which were unfunded as of September 30, 1989. The costs of these projects, as well as the unfunded portion of projects currently in progress, will be funded from future years' resources.

NOTE 12 — PENSION BENEFITS

The State of Michigan makes legally required contributions to the following pension plans. The contributions to the Public School Employees' Retirement System are non-employer contributions to a multiple-employer pension system. The contributions to the Probate Judges' Retirement System are employer contributions to a multiple-employer pension system. The contribution to all other systems are employer contributions to single-employer defined benefit systems. Each system is accounted for in a separate fund:

Legislative Retirement System (LRS)
State Police Retirement System (SPRS)
State Employees' Retirement System (SERS)
Public School Employees' Retirement System (PSERS)
Probate Judges' Retirement System (PJRS)
Judges' Retirement System (JRS)

Note 12 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

The State administers the Municipal Employees' Retirement System (MERS), an agent multiple employer pension plan which provides retirement and associated benefits to employees of 366 local units of government within the State. As an agent, the State provides no funding and has no liability for benefits, but must exercise due care in administering the plan on behalf of its members. At September 30, 1989 the plan had net assets available for benefits of $1,255.2 million and a pension benefit obligation of $1,089.3 million. Employer contribution requirements are separately determined by MERS' actuary for each participating unit of government and, accordingly, individual municipality contribution rates and funding status will vary from municipality to municipality. Additional disclosures are contained in the plan's detailed financial report issued by the Bureau of Retirement Systems.

For each plan described below, the Legislature establishes both the extent to which the employer and employees are required to make contributions and establishes the benefit provisions as indicated in the "Description of Plans." The Bureau of Retirement Systems issues more detailed financial reports for each of the plans.

DESCRIPTION OF PLANS

Legislative Retirement System - Plan membership - This plan covers substantially all State legislators. Plan benefits - Members may retire at age 55 with 5 or more years of credited service, or at 55 with specified combinations of full or partial terms of office. Deferred allowance can be vested after 5 years of credited service, with benefits beginning at age 55. The plan has provisions for disability allowances and death in service payments to beneficiaries. Post-retirement medical benefits - Retirants, survivors and deferred vested members are provided paid dental, vision, hearing, hospital and medical coverage. The benefits are funded on the pay-as-you-go basis, with the 1988-89 expense being $.8 million. Funding requirements - Members are required to contribute 9% of current compensation. The State's participation is provided by the General Fund and a portion of court fees.

State Police Retirement System - Plan membership - This plan covers members of the Michigan State Police. Plan benefits - Members may retire with 25 years of service. Deferred benefits are vested after 10 years of service, with benefits beginning at age 50. The plan also provides for duty and non-duty disability retirement, as well as death benefits to beneficiaries. Post-retirement medical benefits - Health insurance coverage is provided for retirees at State expense on the pay-as-you-go basis, amounting to $3.5 million during 1988-89. Beginning in 1988-89, the State funds the health insurance cost on a prefunding basis. Funding requirements - The system is non-contributory, with the State's contribution provided by the General Fund.

State Employees' Retirement System - Plan membership - This system is a statewide pension plan covering all State employees who are not covered by other systems Plan benefits - A member may retire after attaining age 55 with 30 or more years of credited service, or after attaining age 60 with 10 or more years of credited service. Members eligible for supplemental benefits may retire at age 51 with 25 or more years of service, or at age 56 with 10 or more years of service. A member may retire early with a reduced retirement allowance after attaining age 55 with 15 or more years of credited service. Beginning April 1, 1988, a one year "80 and out" program provided regular retirement benefits to members having attained age 50, and whose age plus service is equal to 80 or more. The plan also has provisions for a vested deferred allowance after 10 years of service, as well as duty and non-duty disability and death-in-service provisions. A deferred retirement is available after 5 years of service for State employees occupying unclassified positions in the executive and legislative branches. Post-retirement medical benefits - Retirees have the option of continuing hospitalization and major medical coverage. The retiree pays 5% of health insurance premiums and the State pays 95% until age 65 when Medicare takes over and the State pays 100% of the remaining cost. Dental and vision coverage is available to retirees with 10% of the premium paid by the retiree. The employer's expense for these purposes in 1988-89 was $52.8 million. The State funds the dental and vision insurance cost on a prefunding basis. The employer also paid $3.2 million in life insurance proceeds under policies covering retirees, spouses and dependents. Funding requirements - The system became non-contributory in 1974. The majority of the plan's contributions are provided by the General and Special Revenue Funds.

Public School Employees' Retirement System - Plan membership - This system is a statewide pension plan covering all public education employees except those at six institutions of higher education and some employees of other institutions of higher education who elect coverage by another retirement program. Plan benefits - P.A. 91 of 1985 provided for employees to make a one-time irrevocable decision to join a "member investment plan." This option requires employee contributions and provides for early retirement and more liberal retirement benefits. Under the normal plan, a member may retire after attaining age 55 with 30 or more years of service, or at age 60 with 10 or more years of service. An early retirement with reduced benefits is available at age 55 with 15 or more years of service. The plan provides for a deferred allowance with vesting after 10 years, duty and non-duty disability and death-in-service provisions. Post-retirement medical benefits - Retirees may, under P.A. 91, continue hospitalization and major medical coverage for themselves and an expanded category of beneficiaries. Retirees pay 10% of the health premium until medicare coverages begins at age 65.

Note 12 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Public Act 91 also requires the State to fund the remaining cost on a prefunding basis (current year expense plus amortization of unfunded prior period costs). Funding requirements - The system became non-contributory in 1974 and remains so except for those employees electing the "member investment plan" option. The majority of the plan's employer contributions are provided by the School Aid Fund and the local school district employers.

Probate Judges' Retirement System and Judges' Retirement System - Plan membership - Both are statewide plans which cover substantially all judges and probate judges in Michigan's judicial branch of government. The Probate Judges' Retirement System (PJRS) became a "closed" system on 1/1/83 with probate judges taking office after that date becoming members of the Judges' Retirement System (JRS). The JRS also includes the Governor, Lieutenant Governor, Secretary of State, Attorney General (all elected), Legislative Auditor General, and the Court Administrator. Plan benefits - A member of either system may retire after attaining age 60 with 8 or more years of credited service, or at age 55 with 18 or more years of service. To retire at 55, members of the JRS must have 6 years of continuous service prior to retirement. Additionally, members of the JRS may retire at any age if credited with 25 years of service, six of which are continuous up to retirement. Both plans provide for deferred retirement with vesting after 8 years of credited service, as well as disability and death-in-service provisions. Post retirement medical benefits - Non-trial court judges and participating elected officials may choose to have hospitalization and major medical coverage continued, paying 10% of health insurance premiums until medicare coverage begins at age 65. The State's 90% funding of health insurance on the pay-as-you-go basis was a nominal amount because most judges participate in local unit plans. The State also provides for life insurance coverage for retirees, spouses, and children. Funding requirements - members of the JRS contribute between 3 1/2% - 7% of salary. Non-trial judges and elected state officials contribute 5% of salary. Members of the PJRS generally contribute 7% of salary to specified maximums. The State's employer contribution under both plans is funded by the General Fund and a portion of court fees.

Plan Membership	LRS	SPRS	SERS	PSERS	PJRS	JRS
Current active:						
Vested	115	1,500	34,354	120,000	44	295
Nonvested	33	713	32,034	160,000	1	250
Retirees & Beneficiaries receiving benefits	168	1,202	24,187	79,917	91	265
Terminated members with vested deferred benefits	32	78	753	9,900	3	23

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Market Value of Investments

The table below discloses the carrying value on the balance sheet and market value as of September 30, 1989 of each pension plan's investments. All amounts are in millions.

	Investments	
Systems	Carrying Value	Market Value
Legislative Retirement System	$ 48.8	$ 53.2
State Police Retirement System	353.8	390.3
State Employees' Retirement System	3,358.8	3,723.4
Public School Employees' Retirement System	11,257.4	12,500.9
Probate Judges' Retirement System	15.1	16.9
Judges' Retirement System	101.9	112.1

Asset Valuation - The assets of the pension systems are valued differently for determination of the unfunded pension obligation than for balance sheet purposes (cost). For determining the unfunded pension obligation, the assets of the SERS, PSERS, PJRS, and the JRS systems are valued at the September 30, 1986 market value adjusted by 20% of the unrealized gains or losses since that date. The assets of the LRS and SPRS systems are valued at their September 30, 1987 market value adjusted by 20% of the unrealized gains or losses since that date.

Other Investment Information - No investment in any of the pension plans comprises 5% or more of the net assets available for benefits except that in the Legislative Retirement System an investment contract with a single insurance company amounted to $6.9 million or 14% of its total investments. There are no significant investments made in securities issued by the State, nor are there any loans made from the pension plan to the State. Additional disclosures on investments are provided in Note #9 and on State Treasurer's Common Cash in Note #5.

Note 12 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

FUNDING STATUS AND PROGRESS

Actuarial Cost Methods and Assumptions

Cost methods - All systems use the "entry age" method which allocates a higher percent of the total cost to past service cost ("unfunded actuarial accrued liabilities") and a lower percent to current service costs ("normal cost") than does the "attained age" method. Contributions are based upon the "level percentage of payroll" method. The SPRS's death and disability benefits are funded using a one-year terminal funding method.

The following assumptions were used in the actuarial valuations:

System	Rate of return - Investment of Current and Future Assets	Projected Salary Increases		
		Merit	Seniority	Inflation
	% Compounded Annually	%	%	%
LRS	7.0%	-	-	4.0
SPRS	8.5	(Combined 6.5)		
SERS	11.2*	(Combined 0.2-5.8)		5.0
PSERS	9.8**	(Combined 0.1-3.5)		5.0
PJRS & JRS	8.0	(Combined 0.5)		6.5

*Declining to 8% over 8 years
**Pre-1987 retirants and beneficiaries computed at 11.8%, others at 9.8% declining to 8.0% over 7 years.

Pre- and post-retirement life expectancies of participants in all systems are based upon the 1971 Group Annuity Mortality Table. Also considered in the valuations were the rates of non-death withdrawal from active service before retirement, rates of disability, and expected retirement ages. The only changes in actuarial assumptions involved the projected rate of return on investments. In the SERS the yearly incremental decrease toward 8.0% was made, while the PERS' rate was changed from the previous year's 8.0% rate to 9.8%.

The statutes governing the SERS and the PSERS provide for one or more additional distributions to retirees and retirement allowance beneficiaries on record at the end of each fiscal year if the earnings on plan assets exceed an 8% return. The September 30, 1989 liability recorded in the SERS was $15.4 million and in the PSERS was $28.0 million.

The actuarial assumptions used in computing the pension benefit obligation are the same as those used to determine the GAAP required contribution except that the revised rate of return on assets for the PSERS was made effective at September 30, 1989. This affects the Pension Benefit Obligation but not the required funding for the 1988-89 fiscal year. While the GAAP required contribution was determined using a 40 year period for amortizing prior service costs, the actual contributions are governed by statutes which require amortization over the following years: LRS, SERS, and PSERS - 50 years, SPRS 49 years, PJRS and JRS 40 years.

Date of actuarial valuation - Valuations for all systems are as of 9/30/89. In the PSERS, the pension benefit obligation was based upon an actuarial update using estimation methods rather than a complete actuarial valuation. This was required because the PSERS records could not be modified to accommodate the "Member Investment Plan" in time to be used for the actuarial valuations needed for disclosure.

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Note 12 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Pension Benefit Obligation (PBO)

The Pension Benefit Obligation is the actuarial present value of credited projected benefits. It measures the present value of pension benefits, adjusted for projected salary and step increases, estimated to be payable in the future as a result of employee service rendered to date. The pension benefit obligation, net assets available for benefits, and unfunded pension obligation are provided to assist readers in assessing funding status on a going-concern basis, assess progress in accumulating assets sufficient to pay benefits when due, and to allow for comparison of the State of Michigan's pension plans with each other and with those of other governmental units.

	September 30, 1989						
(Dollar amounts are in millions)	LRS	SPRS	SERS	PSERS	PJRS	JRS	TOTAL
Pension benefit obligation - noncurrent employees:							
Current retirants and beneficiaries	$ 31.2	$ 188.0	$1,604.0	$ 7,357.8	$ 13.2	$ 52.6	$ 9,246.9
Terminated vested participants	6.4	4.0	17.9	163.2	.5	2.4	194.4
Total	$ 37.6	$ 192.0	$1,621.9	$ 7,521.0	$ 13.7	$ 55.0	$ 9,441.2
Pension benefit obligation - current employees:							
Member contributions	$ 3.5	$ 3.7	$ 82.7	$ 1,003.4	$ 1.4	$ 17.6	$ 1,112.3
Employer financed vested	20.6	261.2	1,816.4	7,661.5	6.9	51.4	9,818.0
Employer financed nonvested	1.6	8.6	264.9	583.4	.1	9.3	867.9
Total employer financed	22.2	269.8	2,081.3	8,244.9	7.0	60.7	10,685.9
Total	$ 25.7	$ 273.4	$2,164.0	$ 9,248.2	$ 8.4	$ 78.3	$11,798.0
Pension benefit obligation	$ 63.2	$ 465.4	$3,785.9	$16,769.2	$ 22.1	$ 133.3	$21,239.1
Net assets (at cost) available for benefits	$ 56.7	$ 385.4	$3,655.1	$12,251.4	$ 16.7	$ 113.1	$16,478.4
Asset valuation adjustment	1.8	39.6	302.5	1,021.7	1.4	8.2	1,375.2
Valuation assets	$ 58.4	$ 425.0	$3,957.6	$13,273.0	$ 18.1	$ 121.3	$17,853.6
Unfunded pension benefit obligation:							
Assets at balance sheet value (cost)	$ 6.5	$ 80.0	$ 130.8	$ 4,517.9	$ 5.4	$ 20.2	$ 4,760.9
Assets at valuation values	$ 4.8	$ 40.4	$ (171.6)	$ 3,496.2	$ 3.9	$ 12.0	$ 3,385.8

Changes and Their Effect on the Unfunded Pension Benefit Obligation

Benefit provisions - Improved benefit provisions increased the pension benefit obligation at September 30, 1989 by $1.6 million in the LRS, $4.7 million in the SPRS, and $488.1 million in the PSERS.

Actuarial assumptions - Changes in the projected rate of return on assets in the PSERS caused a reduction of the pension benefit obligation by $841.0 million at September 30.

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Note 12 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

CONTRIBUTIONS

GAAP Funding Requirements and Contributions Actually Made - The actuarially computed contributions required to fund normal (current) costs and to amortize unfunded actuarially accrued liabilities (UAAL) are shown compared to the actual funding provided (amounts in millions):

System		Active Member Payroll	CONTRIBUTIONS Required Employer %	Required Employer Amount	Actual Employer %	Actual Employer Amount	Actual Employee %	Actual Employee Amount
LRS:	Normal		32.90%	$ 2.1				
	UAAL		2.86	.2				
	Total	$ 6.3	35.76%	$ 2.3	34.91%	$ 2.2	6.8%	$ .4
SPRS:	Normal		18.49%	$ 15.9				
	UAAL		2.14	1.8				
	Total	$ 85.9	20.63%	$ 17.7	18.86%	$ 16.2	-	$ -
SERS:	Normal		8.42%	$173.4				
	UAAL		(.25)	(5.2)				
	Total	$2,059.0	8.17%	$168.2	5.30%	$109.2	-	$ -
PSERS:	Normal		7.30%	$394.1				
	UAAL		.67	36.2				
	Total	$5,399.3	7.97%	$430.3	8.22%	$443.7	4.0%*	$129.5
PJRS:	Normal		14.6%	$ .6				
	UAAL		2.87	.1				
	Total	$ 3.9	17.51%	$ .7	18.66%	$ .7	3.1%	$ .1
JRS:	Normal		15.80%	$ 5.9				
	UAAL		1.49	.5				
	Total	$ 37.1	17.29%	$ 6.4	17.60%	$ 6.5	6.2%	$ 2.3

*For those members who elect to participate in the "Member Investment Plan," 4%, otherwise "0."

The difference between the required employer's contribution and the actual amount contributed is recorded in the general long-term obligations account group.

Changes and their Effect on Required Contributions

The required contribution percent indicated above for the LRS reflects a. 3.87% increase due to changes in benefit provisions and a 2.37% decrease caused by changes in actuarial assumptions. These changes resulted in a net increase of $.1 million in the required contribution for this fiscal year.

Statutory Funding Requirements - Actual contributions met or exceeded the contributions required by state law except for a deficiency of $54.7 million in the PSERS, $.9 million in the SPRS, and $.1 million in the LRS. A prior year (1986-87) overfunding credit of $42.9 million was carried forward to 1988-89 and offset what would otherwise have been a deficiency in the employer's contribution for the SERS.

Note 12 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

THREE YEAR HISTORICAL TREND INFORMATION

The table below provides information about progress made in accumulating sufficient assets to pay benefits when they become due. Dollar amounts are in millions.

Fiscal Year	Net Assets Available For Benefits	Pension Benefit Obligation (P.B.O.)	Percent Funded	Unfunded (Overfunded) Pension Benefit Obligation	Annual Covered Payroll	Unfunded P.B.O. As % of Covered Payroll	Employer Contribution	Employer Contribution As % of Covered Payroll
LRS								
1986-87	$ 49.4	$ 53.0	93.2%	$ 3.6	$ 5.7	63.2%	$ 1.6	28.10%
1987-88	51.5	57.1	90.2%	5.5	5.9	93.2%	1.9	31.83%
1988-89	56.7	63.2	89.6%	6.5	6.3	103.5%	2.2	34.91%
SPRS								
1986-87	$ 326.2	$ 415.3	78.5%	$ 89.1	$ 77.4	115.1%	$ 19.6	25.30%
1987-88	351.3	434.9	80.8%	83.6	82.3	101.6%	16.6	20.10%
1988-89	385.4	465.4	82.8%	80.0	85.9	93.1%	16.2	18.86%
SERS								
1986-87	$ 3,105.2	$ 3,088.6	100.5%	$ (16.6)	$1,820.8	(.9%)	$195.8	10.75%
1987-88	3,383.2	3,386.8	99.9%	3.6	1,945.7	.2%	161.7	8.31%
1988-89	3,655.1	3,785.9	96.5%	130.8	2,059.0	6.4%	109.2	5.30%
PSERS								
1986-87	$10,178.5	$13,021.9	78.2%	$2,843.3	$4,749.9	59.9%	$381.6	8.00%
1987-88	11,142.3	14,679.1	75.9%	3,536.8	5,274.2	67.1%	509.4	9.66%
1988-89	12,251.4	16,769.2	73.1%	4,517.9	5,399.3	83.7%	443.7	8.22%
PJRS								
1986-87	$ 15.0	$ 19.9	75.4%	$ 4.9	$ 4.7	104.3%	$ .8	17.00%
1987-88	15.8	21.1	74.9%	5.3	4.5	117.7%	.8	17.80%
1988-89	16.7	22.1	75.7%	5.4	3.9	138.5%	.7	18.66%
JRS								
1986-87	$ 90.2	$ 112.9	79.9%	$ 22.7	$ 31.1	73.0%	$ 6.9	22.18%
1987-88	100.4	124.1	80.9%	23.7	34.1	69.5%	6.0	17.10%
1988-89	113.1	133.3	84.8%	20.2	37.1	54.4%	6.5	17.60%

Historical Trend Information

GASB Statement #5 requires the disclosure of certain ten year historical trend information. To the extent available, this information is presented in the statistical section of this report.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 13 — EARLY RETIREMENT PLAN

Public Act 3 of 1984 provided for an early retirement incentive program that was available to approximately 3,800 eligible employees in 1984 and 1,964 employees retired under the program. In addition to the basic monthly retirement benefits for which the "80 and out" retirees were eligible, they receive a monthly pension supplement ranging from $240 to $360 until age 62. Accumulated sick leave balances, which are normally paid in a lump sum at retirement, were spread in equal installments over 60 months, the final ones occurring in 1988-89. Payments to early retirees are made through the State Employees' Retirement Fund, which is reimbursed for the additional costs through a combination of increases in the pension funding rates and billings for the sick leave payments made.

The present value of future benefits to be paid under this plan, including basic benefits through age 60, is recorded in the State's General Long-Term Obligations Account Group using a discount rate of 8%. Fund expenditures are recognized as the payments become due.

The following payments are required by fiscal year (in thousands):

	Gross Liability	Present Value
1989-90	$ 8,614	$ 8,283
1990-91	6,105	5,427
1991-92	4,104	3,373
1992-93	2,343	1,781
1993-94	1,039	730
1994-1996	477	306
Total	$22,685	$19,901

NOTE 14 — COMPENSATED ABSENCES

Plan Descriptions: Employees receive a 100% termination payment of unused annual leave (vacation time) upon separation from State service based upon the employee's final rate of pay. In certain cases, employees who transfer between State agencies also receive payment for unused annual leave credits. The maximum amount of leave that employees can accumulate varies with seniority, generally ranging between 240 and 300 hours.

Termination payments for accumulated sick leave balances are made only upon separation from State service and only to employees hired prior to October 1, 1980. Payments at retirement or death are based on 50% of the employee's sick leave accumulation times their last rate of pay. When separating for any other reason employees are paid a percentage of their unused sick leave which increases from 0 to 50% depending upon the balance of their sick leave hours. There is no restriction on the amount of sick leave that can be accumulated.

Accounting Policy: The State has accrued liabilities for compensated absences as required by the GASB. Annual leave is valued at 100% of the unused balance plus the State's share of social security and retirement contributions. Sick leave is valued, as explained above, at 0 to 50% plus the State's share of social security contributions. The pay rates in effect as of October 1, 1989 are used in these valuations. Liabilities related to proprietary fund types are recorded in the funds. Liabilities related to governmental fund types are considered "due and payable" and recorded in the fund only for separations or transfers that occur before year-end. The balance of the governmental fund liabilities are recorded in the General Long-Term Obligations Account Group.

The compensated absence calculation for 1988-89 was refined to include for the first time compensatory time, executive branch unclassified employees' leave balances, judicial employees' leave balances and some legislative employees' leave balances for which information was previously unavailable. In addition, October 1 bonus hours were for the first time added to annual leave balances. Including these values more accurately reflects the liability that the State is likely to pay out.

The following table summarizes compensated absences liabilities as of September 30, 1989 (in millions):

FUND GROUP	ANNUAL	SICK	TOTAL
Enterprise	$ 3.3	$ 4.5	$ 7.9
Internal Service	1.5	1.6	3.1
General Long-Term Obligations	182.7	204.2	387.0
	$187.6	$210.5	$398.1

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 15 — GENERAL LONG-TERM OBLIGATIONS

A. Bonded Debt

General Obligation Debt

Article 9, Section 15 of the 1963 State Constitution authorizes general obligation long-term borrowing, subject to approval by the Legislature and a majority of voters at a general election. In addition, debt may be incurred without voter approval for the purpose of providing loans to school districts. General Fund appropriations are made to finance debt principal and interest requirements for all general obligation issues except school loan bonds, where only the excess of requirements over loan repayments is provided. General obligation bonds are backed by the full faith and credit of the State.

Revenue Dedicated Debt

State Funds - Long-term bonds have been issued periodically for specific purposes, with the stipulation that financing of debt requirements is to come strictly from designated revenue sources. The State's general credit does not support such issues.

State Building Authority - Revenue bonds have been issued by the State Building Authority to acquire and/or construct various facilities for use by the State or institutions of higher education. Revenue bonds have also been issued to finance equipment capital lease refinancings and acquisitions. These bonds are obligations of the authority and do not constitute direct general obligations of the State. The debt requirements of the bonds are financed through General Fund appropriations, excess bond proceeds, and investment earnings.

Note #18 provides disclosures regarding the long-term debts of the funds and component units in the enterprise fund type.

General obligation and revenue dedicated bonds issued and outstanding (excluding defeased bonds) at September 30, 1989 (expressed in millions) are as follows:

			MATURITIES		AVERAGE INTEREST
GENERAL OBLIGATION DEBT (1)	AMOUNTS ISSUED	OUTSTANDING 9/30/89	FIRST YEAR	LAST YEAR	RATE PERCENTAGE
School Loan Bonds:					
Series VI	$ 7.5	$ 7.0	1988	1995	5.92
1988 B Bond Anticipation Notes	1.5	1.5	1988	1989	5.80
1989 A Bond Anticipation Notes	1.9	1.9	1989	1989	7.03
Water Pollution:					
Series II	15.0	1.0	1980	1990	5.99
Series III	50.0	20.0	1979	1999	4.43
Series IV	80.0	20.0	1973	1999	4.34
Series VI	70.0	14.0	1974	1998	4.56
Series VII	50.0	11.0	1975	1993	4.34
Series VIII	33.0	25.0	1987	1994	9.15
Vietnam Veteran Bonus Series I-III	190.0	5.0	1976	1989	5.23
TOTAL GENERAL OBLIGATION DEBT	498.9	106.4			
REVENUE DEDICATED DEBT					
State Funds:					
State Park Revenue Bonds Series I-VIII	19.1	6.6	1963	1996	5.78
Tax Dedicated Bonds:					
Michigan Comprehensive Transportation:					
Series 1985 (Series B Refunding)	57.8(2)	22.7	1985	2011	8.53
Series 1986 (Refunding)	103.5	91.8	1986	2014	7.65
Series 1988 (Series I and II Refunding)	105.1	105.1	1991	2011	7.30
State Trunkline Fund Bonds:					
Series 1983 (Series A and B)	135.0(3)	40.2	1987	1995	9.65
Series 1984	50.0	19.3	1987	1995	9.53
Series 1986 (Refunding)	105.6	102.1	1987	1999	7.34
TOTAL REVENUE DEDICATED DEBT - STATE FUNDS	576.1	388.0			

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

	AMOUNTS ISSUED	OUTSTANDING 9/30/89	MATURITIES FIRST YEAR	MATURITIES LAST YEAR	AVERAGE INTEREST RATE PERCENTAGE
State Building Authority:					
1979 Revenue Bonds - Series I	89.4	9.1	1982	1999	6.36
1982 Revenue Bonds - Series II	21.0	13.6	1983	1995	8.46
1984 Revenue Bonds - Series I	104.9	94.4	1987	2001	9.38
1985 Revenue Bonds - Series I	4.3	2.3	1986	1996	6.52(4)
1986 Revenue Bonds - Refunding Series I	271.0	248.8	1987	2004	7.03
1986 Revenue Bonds - Refunding Series II	39.7	39.7	1990	2001	6.84
1986 Revenue Bonds - Refunding Series III	105.3	79.8	1987	1999	6.43
1987 Revenue Bonds - Series I	77.3(5)	76.3	1988	2001	5.52
1987 Revenue Bonds - Series II	101.3	89.5	1988	2001	6.70
1988 Revenue Bonds - Series I	78.7(5)	78.2	1989	2004	6.96
1988 Revenue Bonds - Series II	83.7(5)	83.7	1990	2003	6.83
1989 Revenue Bonds - Series I	158.5(5)	158.5	1990	2008	7.01
1989 Revenue Bonds - Series A	19.2(6)	19.2	1990	1994	6.35
TOTAL STATE BUILDING AUTHORITY DEBT	1,154.7	993.7			
TOTAL REVENUE DEDICATED DEBT	1,730.8	1,381.8			
TOTAL GENERAL OBLIGATION AND REVENUE DEDICATED DEBT	$2,229.7	$1,488.2			

(1) As explained more fully in Note #28, additional general obligation bonds totalling up to $800 million were authorized by the voters on November 8, 1988. Such bonds totalling $100.0 million were issued subsequent to September 30, 1989. Also subsequent to September 30, 1989, additional school loan bond anticipation notes totalling $1.7 million were issued.

(2) The Series 1985 Michigan Comprehensive Transportation tax dedicated bond issue included capital appreciation bonds ("zero coupon") with an ultimate maturity value of $68.2 million. These bonds are recorded in the amount of $10.0 million, which was the present value at the time of their issue. These bonds mature in the years from 1995 to 2011. The funding for the debt service on these bonds will be provided as they mature. Accrued interest payable on the debt is not recorded as a liability and interest expenditures will be recorded as the bonds are redeemed.

(3) Subsequent to year-end, the State issued $145.1 million of Michigan State Trunkline bonds, which were used to refund a portion of Series 1983 A & 1983 B bonds ($8.5 million) and to fund State Trunkline & Economic Development Construction projects ($136.6 million).

(4) The interest rate for the State Building Authority's 1985 Revenue Bonds is a variable rate calculated as 85 percent of "Bond Buyer Index for 11 General Obligation Bonds" set each December 15 and June 15 for the succeeding six-month periods January 1 to June 30 and July 1 to December 31, respectively. At September 30, 1989, the effective interest rate is 5.82%.

(5) The Series 1987 I, 1988 I and II, and 1989 I State Building Authority bond issues included capital appreciation bonds ("zero coupon") with an ultimate maturity value of $21.0 million, $39.0 million, $29.5 million, and $83.9 million, respectively. These bonds are recorded in the amounts of $11.2 million, $14.4 million, $11.0 million, and $37.8 million, respectively, which were the present values at the time of their issue. These bonds mature in the years from 1993 to 2004. The funding for the debt service on these bonds will be provided as they mature. Accrued interest payable on the debt is not recorded as a liability and interest expenditures will be recorded as the bonds are redeemed.

(6) A portion of the Series 1986 A State Building Authority bond issue ($.5 million) was used for financing equipment in the Telecommunications Revolving Fund and, therefore, was recorded in that fund rather than the General Long-Term Obligations Account Group.

Note 15 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Advance Refundings and Defeasances

The State has defeased certain revenue dedicated bonds by placing the proceeds of new bonds (i.e., the "refunding" bonds in the preceding table) in irrevocable trust to provide for all future debt service on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not recorded as assets or liabilities in these statements and are not included in the other debt tables in this note.

The following table summarizes the defeased bonds outstanding at September 30, 1989 (in millions):

	Amount outstanding
Michigan Comprehensive Transportation:	
Series 1979 A	$ 12.2
Series 1981 B	45.2
Series 1984	57.3
Series 1985 (partial)	25.1
Total	$139.9
State Trunkline Fund Bonds:	
Series 1983	$ 66.4
Series 1984	20.4
Total	$ 86.9
State Building Authority:	
1982 Series I	$ 84.2
1982 Series III	234.0
Total	$318.2

Debt Service Requirements

The following table summarizes debt service requirements for outstanding bonds and bond anticipation notes (in millions):

	STATE FUNDS					STATE BUILDING AUTHORITY	
	GENERAL OBLIGATION		REVENUE DEDICATED		TOTAL PRINCIPAL		
FISCAL YEARS ENDING	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	AND INTEREST	PRINCIPAL	INTEREST
1990	$ 22.4	$ 5.1	$ 18.2	$ 27.4	$ 73.2	$ 48.9	$ 63.6
1991	14.0	3.9	19.6	26.0	63.6	60.4	61.5
1992	14.0	3.1	21.5	24.4	63.2	67.8	57.6
1993	14.0	2.3	23.1	22.7	62.2	69.9	53.2
1994	11.0	1.6	24.6	20.8	58.1	75.1	48.7
1995-2015	31.0	1.6	280.7	200.2	513.6	671.4	262.3
Total	$106.4	$17.9	$388.0	$321.8	$834.2	$993.7	$547.2

Interest to maturity for the State Building Authority will be significantly smaller than the amount shown in the above table because the bonds are callable and most of the bonds will be called prior to the final scheduled maturity date. The retirement of these bonds varies from project to project, as each bond issue is related to a specific project and any excess borrowing and accrued investment earnings are restricted to that project and debt service on the related bonds. State Building Authority debt service fund unreserved fund balances totaled $213.8 million at year-end. Most of this represents investments related to completed projects that will be used for debt service on the projects' bonds.

Some of the bonds of the State Building Authority carry variable interest rates and interest on these has been projected using an average interest rate.

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Note 15 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

B. Other General Long-Term Obligations

Capital Leases - Capitalized lease liabilities and a refinancing of certain capital leases with State Building Authority bonding are described in more detail in Note #16. The leases are attributable to operations of the General Fund and two special revenue funds (the State Trunkline Fund and Michigan Employment Security Act - Administration Fund).

Unemployment Compensation Borrowing Interest Liability and Compensated Absences - Details regarding these are provided in Notes #17 and #14, respectively. As explained more fully in Note #14, the compensated absences liability valuation methods were changed somewhat this year, which accounts for a portion of this year's liability increase.

Claims and Judgments - The liability recorded for claims and judgments includes projected amounts payable for workers' compensation claims and an allowance for litigation losses. The gross amount of workers' compensation liability ($125.7 million) has been recorded at its discounted present value ($86.7 million). This year's estimated liability was calculated using new actuarial methods, which accounts for a portion of this year's liability increase.

The allowance for estimated liability for litigation losses ($205.1 million) includes projections for highway related negligence cases based upon historical loss ratios. It also includes amounts for other litigation where it is considered more than a reasonable possibility that a loss may be incurred. Where a range of potential loss exists, the amount recorded is based upon the expected minimum amount that will be lost if the State does, indeed, lose. In one case where the State has more than a reasonable possibility of a loss, the minimum liability is not reasonably estimable and no liability has been recorded. It should be stressed, however, that the State continues to vigorously contest all of these claims and that the State may incur no liability in the individual cases involved. Therefore, the allowance for litigation losses may be overstated (to the extent that losses do not occur) or understated (if the State losses exceed the projected minimums which have been recorded). The maximum potential loss on the allowance for estimated litigation losses is not considered reasonably measurable.

Fund expenditures for workers' compensation and settled law suits with long-term repayment provisions are recognized on the "due and payable" basis. Other losses are recognized as fund liabilities in the year of settlement, except that cases settled shortly after year-end are recognized as fund liabilities using a sliding materiality scale that increases from recognizing all losses in early October to recording only settlements in excess of $1.5 million after November 30.

Early Retirement Benefits - The State's early retirement program is described in Note #13.

Pension Funding Deficiency - Current Year - As disclosed in Note #12, the State's contribution to three pension funds totalled $60.6 million less than the required amounts for the 1988-89 fiscal year.

Unrecorded Limited Obligation Debt - Certain State financing authorities have issued limited obligation revenue bonds which are not recorded as liabilities in these statements because the borrowings are, in substance, debts of other entities. Typically, these borrowings are repayable only from the repayment of loans, unloaned proceeds and related interest earnings, and any collateral which may be provided.

The Michigan Higher Education Facilities Authority (MHEFA) issues limited obligation bonds to finance loans to private nonprofit institutions of higher education for capital improvements. As of September 30, 1989, the MHEFA had bonds outstanding of $66.3 million. The Michigan Family Farm Development Authority (MFFDA) issues these types of bonds to foster the development of new farm operations. As of September 30, 1989, the MFFDA had bonds outstanding of $4.2 million.

The Michigan Municipal Bond Authority (MMBA) was created in 1985-86 to assist local units of government in reducing their short-term and long-term financing costs. The MMBA pools the borrowing needs of various units and issues limited obligation debt. The debt is later converted to local unit obligations or the proceeds are used to make loans to local units. The MMBA has also converted $19.3 million of its 1986 A Series Local Government Loan Program Revenue Bonds to Michigan State Building Authority local project bonds, which were used to finance certain State equipment acquisitions. Unloaned proceeds or investments, as well as loan repayments by the local units, related to these borrowings are placed with outside trustees. Repayments on the borrowings of the MMBA will be made only from local unit and State Building Authority loan repayments, unloaned proceeds and related investment earnings, or future revenues of the local units which may have been pledged as backing for their individual borrowings. Pledged revenues of the local units can include revenues from State sources, including distributions of State shared revenues, as well as other local sources such as property taxes. During 1988-89, the MMBA issued $200.9 million of short-term notes and $295.0 million of bonds. At September 30, 1989, loans outstanding to the local units total $578.3 million. State Building Authority Bonds held by the MMBA totalled $19.3 million.

Note 15 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

C. Changes in General Long-Term Obligations

Changes in general long-term obligations (in millions) for the year ended September 30, 1989 are summarized as follows:

	GENERAL OBLIGATION DEBT	REVENUE DEDICATED DEBT - STATE FUNDS	REVENUE DEDICATED DEBT - STATE BUILDING AUTHORITY	CAPITAL LEASE OBLIGATIONS
Bonds and Capital Lease Obligations:				
Balance - Beginning	$129.5	$405.3	$906.9	$101.1
Adjustments to beginning balance	-	-	-	15.1
New bond issues/bond anticipation notes	3.4	-	177.2	-
Capital lease additions	-	-	-	57.2
Bond principal retirements/capital lease payments and deletions*	(26.5)	(17.3)	(91.0)	(41.9)
Balance - Ending	$106.4	$388.0	$993.2	$131.6

*As explained in Note #16, capital lease payments and refinancings includes lease purchases refinanced with State Building Authority bonding.

	UNEMPLOYMENT COMPENSATION DEFERRED INTEREST	COMPENSATED ABSENCES LIABILITIES	CLAIMS AND JUDGMENTS	EARLY RETIREMENT BENEFITS	PENSION FUNDING DEFICIENCY-CURRENT YEAR
Other obligations:					
Balance - Beginning	$ 2.3	$339.5	$234.2	$ 31.3	$ -
Net increase (decrease) in estimated liabilities	-	47.5	57.6	(11.4)	60.6
Payments on deferred interest	(2.3)	-	-	-	-
Balance - Ending	$ -0-	$387.0	$291.8	$ 19.9	$ 60.6

NOTE 16 — LEASES

The State leases various assets under noncancelable leasing arrangements. Leases which constitute rental agreements are classified as "operating" leases and the resulting expenditures are recognized as incurred over the lease term. Leases which are, in substance, purchases are classified as "capital" leases and the resulting assets and liabilities are recorded at lease inception. For capital leases in governmental funds, "other financing sources" and "expenditures" are also recorded at lease inception. Lease payments are recorded as "debt service" expenditures. (As explained in Note #3, for budgetary purposes lease payments are only reported as expenditures when paid.)

Most leases have cancellation clauses with 1-6 month notice requirements in the event that funding is not available. For reporting purposes, such cancellation clauses are not considered in the determination of whether a lease is cancelable because the likelihood that such clauses will be exercised is considered remote.

Some lease agreements include renewal or purchase options. The effect of such options is reflected in the minimum lease payments only if it is considered almost certain that the option will be exercised. Some lease agreements include escalation clauses or other contingent rentals. The State does not consider escalation clauses and contingent rentals in determining minimum lease payments.

The State has entered into a few installment purchase agreements. Because the amounts involved are immaterial, and the accounting treatment is similar, such agreements are reported together with capital leases.

During fiscal year 1988-89, the State Building Authority sold bonds to finance the buy out of several leases involving data processing and telecommunications equipment. This resulted in a decrease in capital lease obligations totalling $10.3 million in the General Long-Term Obligations Account Group and $.3 million in the Telecommunications Revolving Fund (internal service).

Note 16 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Governmental Fund Types

Rental expenditures incurred under operating leases totalled $22.8 million during fiscal year 1988-89. Payments for capital lease principal and interest totalled $29.8 million and $13.4 million, respectively.

A summary of the noncancelable operating and capital lease commitments to maturity follows (in millions):

Year Ended September 30	Operating Leases	Capital Leases		
		Principal	Interest	Total
1990	$20.7	$ 22.6	$13.2	$ 35.9
1991	14.0	18.1	11.3	29.5
1992	8.7	12.2	9.5	21.8
1993	4.4	9.3	8.5	17.8
1994	1.9	7.9	7.5	15.4
1995-1999	2.6	30.6	24.2	54.9
2000-2004	.2	18.0	11.3	29.3
2005-2009	-	12.5	2.9	15.4
Total	$53.0	$131.6	$88.7	$220.4

All of the above capital leases are related to governmental fund operations and the total $131.6 million of capital lease principal is recorded as part of the General Long-Term Obligations Account Group.

The historical cost of assets acquired under capital leases included in the General Fixed Assets Account Group at September 30, 1989 follows (in millions):

Buildings.....	$165.6
Equipment.....	57.4
Total.....	$223.0

Proprietary Fund Types

Rental expense incurred under operating leases totalled $2.9 million during fiscal year 1988-89.

A summary of the noncancelable operating and capital lease commitments, including imputed interest, follows:

Year Ended September 30	Operating Leases	Capital Leases
1990	$ 3.5	$ 3.6
1991	2.4	3.2
1992	2.0	3.0
1993	1.8	2.8
1994	1.4	1.1
1995-1999	5.7	.4
2000-2004	4.6	-
2005-2009	4.6	-
Total	$26.2	$14.4

All capital leases are for buildings and equipment related to Liquor Purchase Revolving Fund (enterprise), Office Services Revolving Fund (internal service), and Telecommunications Revolving Fund (internal service) operations and are recorded as fund assets and liabilities.

NOTE 17 — UNEMPLOYMENT COMPENSATION DEBT

Advances from Federal Agencies

As of September 30, 1989, the Michigan Unemployment Compensation Fund (MUCF) had a liability to the federal government of $781.5 million for amounts borrowed to pay unemployment compensation, as compared to $952.5 million at September 30, 1988. The debt principal is being repaid to the federal government using regular unemployment tax receipts.

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Note 17 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

On the balance sheet, the portion expected to be repaid within 12 months ($179.0 million) is classified as a current liability which is included in the "Accounts payable and other liabilities" line. The amount expected to be outstanding at September 30, 1990 ($602.5 million) is reported as a long-term liability on the "Advances from federal agencies" line. These transactions are recorded in the MUCF, which is a component unit included in the expendable trust fund group. Currently, none of the federal advance is interest bearing; however, as explained in Note #9, the outstanding advance balance does reduce earnings on the MUCF's equity in a U.S. Treasury trust fund.

Deferred Interest

In prior years, part of the federal advance was interest bearing. Interest payments were the responsibility of the State, not the MUCF. The federal government allowed the State to defer payments on this liability. The final payment on the deferred interest ($2.3 million) was paid on September 30, 1989.

NOTE 18 — LOTTERY PRIZE AWARDS, BONDS, AND OTHER LIABILITIES - ENTERPRISE FUND GROUP

Lottery Prize Awards Payable

The State Lottery Fund makes long-term prize awards for certain of its games, most notably the lotto games. Liabilities related to these deferred prize awards are recorded at their present value using discount rates ranging from 6% to 8%. The liquidation of these liabilities is provided for by investment in U.S. Treasury deep discount bonds and in the State's common cash pool.

The present value of future payments for unpaid prize awards payable as of September 30, 1989 is summarized as follows (in millions):

Twelve months ending September 30:	
1990	$ 71.0
1991	55.2
1992	55.2
1993	54.8
1994	54.4
1995 through 1999	266.2
2000 through 2004	260.0
2005 through 2009	113.6
2010 through 2014	3.6
2015 through 2019	3.1
Later years	5.5
Total	943.0
Less unamortized discount	(408.7)
Total at present value	$ 534.2

Public Act 239 of 1972 requires that, as nearly as practicable, 45% of gross ticket revenue shall be allocated for prize awards. The prize structure for certain games being played exceeded this percentage; accordingly, additional amounts have been allocated for prize awards. The additional amounts approximated $19.3 million in fiscal year 1988-89. More detailed information on the State Lottery Fund is available in the fund's separately issued audited financial statements, which are prepared quarterly.

Bonds Payable

All of the bonds payable in the enterprise fund group are legal obligations of component units and they are not general obligations of the State. The following summarizes bonds payable (net of discounts) by component unit (in millions):

	MSHFA	MHESLA	MISPC	MSF	MSHDA	TOTAL
Bonds Payable...	$1,506.9	$ 149.2	$ .4	$ 16.8	$1,996.6	$3,670.0

Note 18 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

The following briefly describes these debts, which are more fully explained in each unit's separately issued financial statements:

Michigan State Hospital Finance Authority (MSHFA) - The bonds of this authority are limited obligation bonds which carry interest rates ranging from 5% to 15.75%. The bonds are repayable solely from loan repayments, investment earnings, and retained bond proceeds. The following table summarizes the debt service requirements of this authority as of its year-end of June 30 (in millions):

Fiscal Year	Principal	Interest	Total
1989-90	$ 30.0	$ 108.8	$ 138.8
1990-91	34.7	119.5	154.2
1991-92	37.8	117.4	155.3
1992-93	40.0	114.5	154.5
1993-94	68.2	111.5	179.8
Total five years	210.9	$ 571.8	$ 782.8
Five years ending June 30, 1999	276.2		
Ten years ending June 30:			
2009	635.1		
2019	410.3		
	1,532.6		
Less unamortized discount	(25.6)		
Total principal	$1,506.9		

The amounts reported as bonds payable in these statements and in the above table do not include in substance defeased bonds, which amounted to $1,063.4 million as of June 30, 1989. The Authority recognizes no gains or losses on these defeasances, as these are passed on to the hospitals involved.

Michigan Higher Education Student Loan Authority (MHESLA) - The bonds of this authority are revenue bonds which carry interest rates ranging from 5.75% to 7.5%. The following table summarizes their debt service requirements on these bonds (in millions):

Fiscal Year	Principal	Interest	Total
1989-90	$ 2.6	$ 9.9	$ 12.5
1990-91	2.8	9.7	12.5
1991-92	2.7	9.6	12.3
1992-93	5.9	7.5	13.4
1993-94	9.3	6.0	15.4
Total five years	23.4	42.9	66.3
1994-2013	125.8	16.1	141.9
	$ 149.2	$ 59.0	$ 208.3

During the year the MHESLA defeased $25.0 million of bonds and $79.4 million in notes, respectively, which resulted in the recognition of accounting losses of $45 thousand and $369 thousand, respectively. The defeasances and refinancing were financed by issuing $150.0 million of new revenue bonds. There were no defeased bonds outstanding at September 30, 1989.

Mackinac Island State Park Commission (MISPC) - The commission's bonds are revenue bonds which carry an average interest rate of 7.89%. Annual principal and interest maturities for the next five years approximate $74 thousand annually; debt service requirements after 1993-94 total $228.9 thousand, with the final payments due in 1997. The amounts reported as bonds payable in these statements do not include $305 thousand of outstanding bonds which were defeased in prior fiscal years.

Note 18 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Michigan Strategic Fund (MSF) - The bonds of the MSF are limited obligation revenue bonds, which carry an average interest rate of 11.5%. The bonds are repayable solely from distributions of the Michigan Natural Resources Trust Fund. The following table summarizes the debt service requirements on these bonds (in millions):

Fiscal Year	Principal	Interest	Total
1989-90	$ 1.9	$ 1.9	$ 3.8
1990-91	1.9	1.7	3.6
1991-92	1.8	1.5	3.3
1992-93	1.9	1.3	3.2
1993-94	9.0	1.0	10.1
Total	$16.8	$ 7.4	$24.2

The MSF also issues industrial development revenue bonds which are not recorded as liabilities. These borrowings are, in substance, debts of other entities and financial transactions are handled by outside trustees.

Michigan State Housing Development Authority (MSHDA) - The bonds of this authority are revenue bonds which carry effective interest rates ranging from 5.74% to 13.99%. The following table summarizes the debt service requirements of this authority as of its year-end of June 30 (in millions):

Fiscal Year	Principal	Interest	Total
1989-90	$ 83.8	$ 147.6	$ 231.4
1990-91	55.6	143.1	198.8
1991-92	60.8	138.5	199.3
1992-93	58.5	133.6	192.2
1993-94	55.7	129.8	185.5
Total five years	314.6	692.8	1,007.5
1994-2023	1,699.7	1,510.0	3,209.8
	2,014.4	$2,202.8	$4,217.3
Less unamortized discount	(17.8)		
Total principal	$1,996.6		

In 1985 the legislature authorized the MSHDA to issue up to $400,000,000 of limited obligation bonds to finance multi-family housing projects. Such bonds are not general obligations of the authority but are secured solely by revenues and property derived from or obtained in connection with the housing projects. Thus, these bonds are considered no commitment debt and, therefore, are not reflected as liabilities in either the financial statements or the above table. At June 30, 1989, limited obligation bonds had been issued totalling $189.5 million, of which three issues totalling $31.2 million had been retired.

Other Long-Term Liabilities

Michigan Education Trust (MET) - The MET offers contracts which, for actuarially determined amounts, guarantee future tuition at State institutions of higher education. Contract provisions also allow the benefits to be used at private or out-of-state institutions, with the amount provided being based upon rates charged by the State's public institutions. The tuition guarantee is made by MET as a separate legal entity and these contracts are not considered obligations of the State. The Legislature is not obligated to provide appropriations should losses occur and the statutes and contracts provide for refunds to the participants if MET becomes actuarially unsound. Liabilities totalling $266.5 million have been recorded on the balance sheet for the amount of tuition benefit contracts.

A draft actuarial report on the status of MET as of September 30, 1989 for the 1988 enrollment period shows the program is actuarially sound. The report shows the actuarial present value of future tuition benefit obligations to be $278.1 million, as compared to the actuarial value of assets available of $279.3 million. The actuarial assumptions used include: a projected tuition increase rate of 7.3%; an investment yield of 9.75%; and, a projected tax rate of 34%. A second open enrollment period ended subsequent to September 30, 1989 and additional contracts totalling approximately $59 million were issued.

Michigan State Housing Development Authority (MSHDA) - Long-term liabilities of the MSHDA include $181.4 million of funds held in escrow.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 19 — DEFERRED COMPENSATION PLANS

The State has established two deferred compensation plans for its employees. Both are administered by the Department of Civil Service and the State does not make any contribution to either. These plans and the accounting policies applied to each are described below.

Section 457 Plan:

Created in accordance with Internal Revenue Code Section 457, this plan is available to all State employees to permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is accounted for in the State Employees' Deferred Compensation Fund I (457), an agency fund.

Employee contributions are recognized as increases in fund assets and liabilities. Benefits are recognized as decreases in fund assets and liabilities when paid. The fund is primarily invested in guaranteed investment contracts with insurance companies which are valued at cost plus accrued interest. This is also the method used to value a participant's interest in the plan. Short-term investments are held in the common cash pool. Investment earnings, net of administrative charges, are credited to the participants based upon their balances in the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the value of the deferred account for each participant. The State believes that it is unlikely that it will use the assets to satisfy the claims of other general creditors in the future.

It is the opinion of the State's legal counsel that the State has no liability for losses under the plan, unless it fails to discharge its duty to exercise due care that would be required of an ordinary prudent investor.

Section 401k Plan:

The State also offers a plan created in accordance with Internal Revenue Code Section 401k. This deferred compensation plan is accounted for in the State Employees' Deferred Compensation Fund II (401k), an expendable trust fund. The deferred compensation is not available to employees until termination, retirement, death, financial hardship, or attainment of 59 1/2 years of age. The plan does, however, include loan provisions. Unlike the section 457 plan, this plan's assets are not subject to the claims of the State's general creditors.

Employee participants are offered two basic options for the investment of their contributions and accumulated earnings. They may choose to participate in a State administered guaranteed investment contract option or they may choose to self direct their funds within a group of mutual funds. Employees may use both options and they can, at periodic intervals, transfer funds between the two options.

The fund balance of the fund represents net assets available for plan benefits. Employee contributions are recognized as revenue; benefits are recognized as expenditures when paid. Short-term investments are held in the State's common cash pool. Investment earnings, net of administrative charges, are credited to the participants based upon their balances in the plan. Loans to participants are recorded as assets.

Investments in guaranteed investment contracts are valued at cost plus accrued interest, which is the same basis as is used for determining each participant's interest in the plan under this option. Mutual fund investments are valued at market, with the net of both realized and unrealized gains and losses shown as miscellaneous revenue. Mutual fund investments are valued at market, rather than cost, because each participant's interest under this option is based upon market. Also, the nature of the investments makes it infeasible to use the cost method, as the records necessary to determine cost are not available.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 20 — INTERFUND RECEIVABLES AND PAYABLES

In the following table, the most significant current interfund receivable and payable balances are listed by individual fund. Other funds' balances are shown in total for each fund type. On the balance sheet these balances are presented as "Amounts due from other funds" and "Amounts due to other funds." Not included in the table below are long-term interfund receivables and payables, which totaled $47.9 million on September 30, 1989. The largest interfund advance ($30.5 million) is an advance made from the State Sponsored Group Insurance Fund to the Motor Transport Revolving Fund, both of which are internal service funds. These long-term items are classified on the balance sheet as interfund advances.

	INTERFUND RECEIVABLES (In Thousands)	INTERFUND PAYABLES (In Thousands)
GOVERNMENTAL FUND TYPES		
General Fund	$292,393	$ 49,978
Special Revenue Funds:		
State Trunkline Fund	33,512	407
Michigan Transportation Fund	2,949	37,358
Comprehensive Transportation Fund	10,020	14
Game & Fish Protection Trust Fund	528	-
Environmental Protection Bond Fund	-	2,402
Michigan Natural Resources Trust Fund	3,093	-
Michigan Employment Security Act - Administration Fund	-	612
Counter-Cyclical Budget and Economic Stabilization Fund	9,617	-
School Aid Fund	-	153,200
State Building Authority Advance Financing Fund	-	35,283
State Building Authority	-	3,595
Other Special Revenue Funds	1,784	499
	61,505	233,374
Debt Service Funds:		
State Building Authority	7,733	177
Other Debt Service Funds	3	7
	7,737	185
Capital Projects Funds:		
Recreation Bond Fund - State Projects	-	117
State Building Authority	-	10,341
State Building Authority Advance Financing Fund	8,806	97,193
	8,806	107,652
PROPRIETARY FUND TYPES		
Enterprise Funds:		
State Lottery Fund	1,404	20
Michigan Education Trust	14	700
Michigan Higher Education Assistance Authority	-	322
Michigan Strategic Fund	-	1,067
Michigan State Housing Development Authority	353	345
Other Enterprise Funds	67	300
	1,840	2,756
Internal Service Funds:		
Motor Transport Revolving Fund	-	5,010
Telecommunications Revolving Fund	-	559
State Sponsored Group Insurance Fund	10,177	2
Other Internal Service Funds	-	228
	10,177	5,800
FIDUCIARY FUND TYPES		
Trust and Agency Funds:		
State Police Retirement Fund	818	-
State Employees' Retirement Fund	6,689	-
Public School Employees' Retirement Fund	2,078	-
Municipal Employees' Retirement Fund	925	-
Michigan Unemployment Compensation Fund	2,040	55
Michigan Employment Security Act Contingent Fund	1,150	-
Michigan State Accident Fund	1,378	-
Second Injury Fund	405	22
State Employees' Deferred Compensation Fund I (457)	2,570	-
Transportation Related Trust Funds	140	1,253
Other Trust and Agency Funds	2,583	1,419
	20,781	2,750
Total Current Interfund Receivables and Payables All Funds*	$403,242	$402,498

* Interfund receivables and payables, as well as operating transfers in and out, do not agree because the Michigan State Housing Development and the Michigan State Hospital Finance Authorities have June 30 fiscal year-ends.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

NOTE 21 — INTERFUND COMMITMENTS

Transfers from the Michigan Veterans' Trust Fund

When the Michigan Veterans' Trust Fund, a special revenue fund, was created in 1946, it was provided $50.0 million to be reserved for investment purposes. In subsequent years, $49.9 million of the reserve was returned to the General Fund in accordance with P.A. 119 of 1976 and P.A. 353 of 1980. The acts include provisions for making future annual General Fund appropriations to replenish the investment reserves and to make up for lost interest income. Such provisions, however, are not considered legally binding on future legislatures.

No amounts were appropriated to replenish reserves during fiscal year 1988-89, so no moneys were returned. Through September 30, 1988, $31.9 million had been returned by the General Fund. The balance of the $49.9 million ($17.9 million) is considered a budgetary commitment subject to appropriation. It is, therefore, not recorded as an asset of the special revenue fund or a liability of the General Fund.

Mackinac Bridge Authority

The Mackinac Bridge Authority, which is reported as a special revenue fund, has over the years received $75.3 million of subsidies for operations ($12.3 million) and debt service ($63.0 million). These subsidies were provided by the State Trunkline and Michigan Transportation funds, respectively, both of which are special revenue funds.

State statutes require that the Authority continue charging bridge tolls and begin repaying the State funds for the subsidies provided. These repayments would continue until such time as the subsidies have been completely returned. The Authority has not recorded a liability and the State funds have not recorded receivables for these subsidies because the reimbursements are contingent upon future net revenues, there is no repayment schedule, and the repayment commitment is long-term and budgetary in nature. As of September 30, 1989, no repayments have been made.

NOTE 22 — EQUITY TRANSFERS AND CHANGES IN CONTRIBUTED CAPITAL

Equity Transfers

As described below, several equity transfers were made during 1988-89.

The General Fund provided a $.6 million contribution of fixed assets and the Michigan Natural Resources Trust Fund (a special revenue fund) made a $1.3 million contribution of land to Michigan State Fair Revolving Fund (an enterprise fund). These are reported as equity transfers in the General and special revenue funds and as contributed capital additions in the enterprise fund group.

Four activities which were previously recorded in separate funds are now being recorded as restricted activities within the General Fund. The balances remaining in these funds as of September 30, 1988, which totalled $7.7 million, were transferred to the General Fund as of the beginning of this fiscal year. The funds closed were: the Michigan Justice Training Fund ($4.5 million), the Vietnam Veteran Era Bonus Fund ($1.3 million), the Motor Vehicle Accident Claims Fund ($1.8 million), and the Public Recreation Bond Fund ($.1 million). All of these funds were special revenue funds except for the Public Recreation Bond Fund, which was a capital projects fund.

The Federal Surplus Revolving Fund was merged into the Office Services Revolving Fund (both internal service funds) as of the beginning of the fiscal year, resulting in an equity transfer of the $.4 million retained earnings deficit that existed as of September 30, 1988.

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Note 22 continued on next page.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Changes in Contributed Capital

The following table summarizes contributed capital transactions made during the year (in thousands):

	Enterprise Funds			Internal Service Funds		
	Michigan State Fair Revolving Fund	Michigan Higher Education Assistance Authority	Total	Correctional Industries Revolving Fund	Motor Transport Revolving Fund	Total
Beginning balance.....	$2,370	$1,516	$3,886	$1,373	$8,444	$9,818
Equity transfers from other funds..	1,888	-	1,888	-	-	-
Ending Balance.....	$4,259	$1,516	$5,775	$1,373	$8,444	$9,818

Contributed capital was recorded by the State for the first time as of the beginning of the 1986-87 fiscal year. The amounts contributed prior to 1986-87 are not reasonably determinable, except for the amounts related to the Motor Transport Revolving Fund and the Michigan Higher Education Assistance Authority. To the extent contributions occurred in other funds prior to 1986-87, the amounts are reflected in retained earnings.

NOTE 23 — RETAINED EARNINGS

Reservations:

Certain amounts of retained earnings for component units reported in the enterprise fund group are reserved for specified purposes. Generally, these reservations are required by the applicable bond agreements. The amounts (in millions), by component unit, as of September 30, 1989 are as follows:

Michigan Higher Education Student Loan Authority.....	$ 2.9
Michigan Higher Education Assistance Authority.....	4.5
Mackinac Island State Park Commission.....	.2
Michigan Strategic Fund.....	81.2
Michigan State Housing Development Authority.....	112.6
Total.....	$201.7

Fund Deficits:

All funds and component units reported in the proprietary type funds have positive retained earnings balances except for the Low-Level Radioactive Waste Authority (an enterprise fund) which has a deficit of $3.6 million representing losses accumulated in the development stage and the Department of Natural Resources Magazine Fund (an enterprise fund) which has an accumulated deficit of $1.0 million.

NOTE 24 — FUND BALANCES

Reservations:

The line entitled "reserved fund balance" on the combined balance sheet at September 30, 1989 consists of the following (in millions):

	FUND TYPES				
	General	Special Revenue	Debt Service	Capital Project	Pension Trust
Budgetary carry-forwards:					
Encumbrances.....	$ 95.4	$ 65.5	$ -	$ -	$ -
Restricted revenues.....	268.1	43.6	.2	-	-
Multi-year projects (capital outlay and work projects)	330.4	259.1	-	-	-
Construction and debt service.....	-	19.5	-	16.6	-
Revolving loan programs.....	2.8	.9	-	-	-
Funds held as permanent investments.....	-	59.1	-	-	-
Noncurrent assets.....	55.1	117.5	74.4	-	-
Retirement benefits.....	-	-	-	-	17,733.6
Total Reserved Fund Balances.....	$752.0	$565.5	$ 74.6	$ 16.6	$17,733.6

Note 24 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Budgetary carry-forwards represent unused spending authorization which continues to be available in the new year. Such amounts are reserved because the funds are legally segregated for a specific purpose.

Construction and debt service reserves represent amounts which are restricted for State Building Authority projects that are in process.

Reserves for revolving loan programs represent fund balance which has been appropriated for the purpose of making loans that will encourage economic development in the State. Repayments on such loans are authorized to be used for the making of new loans.

Funds held as permanent investment represent amounts that have been legally restricted for the purpose of providing a long-term source of investment income. These investments can include either specific investments held for the fund or portions of the fund's share of the common cash pool.

Reserves are recorded for noncurrent assets if they do not represent current financial resources available for appropriation. No reservation is recorded for noncurrent assets if doing so would result in a duplicate reduction of unreserved fund balance. This occurs if the noncurrent assets have already been reserved for some other reason or if they are related to revenues that have been deferred because of not being "available".

The State does not record any reservations in expendable trust funds because the balances are all considered available for the purposes of the various funds. Also, no reservations of fund balances are recorded in single purpose special revenue, debt service, and capital project funds. From the overall State perspective, the unreserved fund balances of funds other than the General Fund are restricted by the nature of the fund type and they are not available for general State purposes.

Fund deficits:

All governmental and fiduciary funds have positive ending unreserved fund balances with the exceptions of the two State Building Authority Advance Financing Funds which account for monies expended to begin projects for which bonds have not yet been issued and three funds associated with the planned sale of general obligation bonds. The State Building Authority Advance Financing Capital Projects Fund recorded a year-end deficit of $99.6 million; the State Building Authority Advance Financing Special Revenue Fund recorded a year-end deficit of $39.9 million.

Three funds, which were established to account for the use of proceeds from the $800 million general obligation bonds approved in the November 1988 election, incurred expenditures prior to the initial sale of bonds. The Recreation Bond Fund - Local Projects (a special revenue fund) had a year-end deficit of $.2 million; the Environmental Protection Bond Fund (a special revenue fund) had a year-end deficit of $2.4 million; and, the Recreation Bond Fund - State Projects (a capital projects fund) had a year-end deficit of $.1 million. The sale of bonds subsequent to September 30, 1989 eliminated these deficits.

NOTE 25 — SEGMENT INFORMATION FOR ENTERPRISE FUNDS

State Funds - The State operates five enterprise funds. The Liquor Purchase Revolving Fund accounts for the State's activities in the distribution of liquor at the wholesale and retail levels. The fund is also used to account for certain liquor taxes that generate revenue for other State activities. Public Act 431 of 1984 requires that the net income of the fund be transferred to the General Fund.

The State Lottery Fund accounts for the State lottery games and regulation of bingo and charity games. Profits from the lottery are transferred to the School Aid Fund and profits from regulation of bingo and charity games are transferred to the General Fund.

The Low-Level Radioactive Waste Authority accounts for the activities necessary to establish and operate a waste disposal facility in Michigan to serve seven midwestern states. The deficit in fund equity represents the accumulated net costs incurred while the Authority is in the development stage.

The Michigan State Fair Revolving Fund records the results of the annual State Fair and periodic rental of fairground facilities. The General Fund provides periodic contributions for the improvement of facilities. Public Act 431 of 1984 also requires that the net income of this fund be transferred to the General Fund.

The Department of Natural Resources Magazine Fund accounts for the production and sale of various publications.

Note 25 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Segment information for the fiscal year ended September 30, 1989 (in millions) was as follows:

	LIQUOR PURCHASE REVOLVING FUND	STATE LOTTERY FUND	LOW-LEVEL RADIOACTIVE WASTE AUTHORITY	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	SUBTOTAL STATE FUNDS
Operating Revenues.....	$ 418.4	$1,220.7	$ -	$ 3.6	$ 1.5	$1,644.3
Depreciation and Amortization.....	.9	37.8	-	.5	-	39.3
Operating Income (Loss).....	60.6	484.9	-	(1.8)	(.1)	543.6
Tax Revenues.....	7.2	-	-	-	-	7.2
Operating Transfers In.....	-	-	.1	1.1	-	1.3
Operating Transfers Out:						
Statutory Net Income Transfer.....	(48.0)	(484.7)	-	-	-	(532.7)
Administrative General Fund Costs.....	(15.2)	(.2)	-	-	-	(15.6)
Other.....	(4.0)	-	-	-	-	(4.0)
Operating Transfers Out..	(67.3)	(484.9)	-	-	-	(552.4)
Net Income (Loss).....	-0-	-0-	(2.4)	(1.1)	(.2)	(3.8)
Current Year Capital Contributions.....	-	-	-	1.8	-	1.8
Net Working Capital.....	35.1	57.3	(.3)	(1.0)	(.1)	90.9
Property, Plant, and Equipment.....	6.3	1.4	.1	18.9	-	26.8
Total Assets.....	99.6	554.2	.1	19.2	.5	673.8
Long-Term Liabilities.....	4.5	466.3	3.4	4.0	.8	479.1
Total Equity (Deficit).....	41.1	5.8	(3.6)	13.8	(1.0)	56.1

Component Units - The enterprise fund type includes the following: the Michigan State Hospital Finance Authority (MSHFA), Michigan Education Trust (MET), Michigan Higher Education Student Loan Authority (MHESLA), Michigan Higher Education Assistance Authority (MHEAA), Mackinac Island State Park Commission (MISPC), Michigan Strategic Fund (MSF), and the Michigan State Housing Development Authority (MSHDA).

Four of the authorities issue long-term debt: to finance loans for the construction of multifamily and single family housing and home improvements (MSHDA), for capital improvements and equipment acquisition at nonprofit hospitals (MSHFA), for tuition to qualified students attending participating institutions of higher education (MHESLA), and for issuing loans and grants to private enterprises to foster economic expansion (MSF). The long-term debt of these authorities is financed mainly from loan repayments and investment income.

The MET offers contracts which, for actuarially determined amounts, guarantee future tuition at State institutions of higher education for participants.

The MHEAA is the State guaranty agency under the Stafford Loan Program, the Supplemental Loans to Students Program, and the Parent Loan for Undergraduate Students Program.

The MISPC accounts for the operation of the Mackinac Island State Park. The majority of its costs are financed through admission fees, although it does receive a partial subsidy in the form of a General Fund appropriation determined annually by the Legislature.

Segment information for component units included in the enterprise fund for the fiscal years ended in 1989 (in millions) is as follows:

Note 25 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

	MSHFA	MET	MHESLA	MHEAA	MISPC	MSF	MSHDA	SUBTOTAL COMPONENT UNITS
Operating Revenues.....	$ 116.2	$23.1	$ 18.5	$ 48.9	$ 2.0	$ 10.9	$ 196.6	$ 416.5
Depreciation and Amortization Expense..	-	-	.2	-	.1	-	.2	.7
Operating Income (Loss).	1.0	21.0	5.0	5.8	(1.6)	3.8	9.7	45.0
Operating Transfers In (subsidies).....	-	-	-	-	1.6	20.0	1.9	23.6
Net Income (Loss).....	1.0	14.2	4.6	6.8	.2	13.8	11.7	52.6
Net Working Capital.....	156.1	278.0	31.2	30.7	.7	12.5	330.9	840.4
Property, Plant, and Equipment.....	-	-	-	-	3.2	-	-	3.2
Mortgages and Loans Receivable (Net).....	1,194.3	-	122.8	.8	-	16.4	1,624.4	2,958.8
Total Assets.....	1,556.8	287.2	206.9	49.6	5.6	124.9	2,396.9	4,628.2
Bonds (Net) and Other Long-Term Liabilities.	1,477.3	264.8	146.7	.4	.3	17.0	2,095.7	4,002.6
Total Equity.....	7.3	13.3	53.9	31.0	5.1	104.4	160.3	375.5

The following table demonstrates the relative shares of State funds and component units:

	STATE FUNDS	COMPONENT UNITS	TOTAL ENTERPRISE FUNDS
Operating Revenues.....	$1,644.3	$ 416.5	$2,060.8
Depreciation and Amortization Expense.....	39.3	.7	40.0
Operating Income (Loss).....	543.6	45.0	588.6
Tax Revenues.....	7.2	-	7.2
Operating Transfers:			
In.....	1.3	23.6	24.9
Out.....	(552.4)	-	(522.4)
Net Income (Loss).....	(3.8)	52.6	48.7
Current Year Capital Contributions.....	1.8	-	1.8
Net Working Capital.....	90.9	840.4	931.3
Property, Plant, and Equipment.....	26.8	3.2	30.0
Mortgages and Loans Receivable (Net).....	-	2,958.8	2,958.8
Total Assets.....	673.8	4,628.2	5,302.0
Bonds (Net) and Other Long-Term Liabilities.....	479.1	4,002.6	4,481.8
Total Equity.....	56.1	375.5	431.7

NOTE 26 — RISK MANAGEMENT

General: The State has elected not to purchase commercial insurance for many of the risks of losses to which it is exposed. All types of risk and insurance coverage are under review and State practices will likely change somewhat in the future. Currently, however, the State is uninsured for most general liability and property losses, portions of its employee insurance benefit and employee bonding programs, as well as workers' compensation and unemployment compensation claims. Areas of risk where some level of insurance coverage is provided include: automobile and aircraft liability, property and loss of rents insurance that may be required by bond or lease agreements, portions of the State employee insurance benefits program, certain State artifacts, builder's risk coverage, boiler and machinery coverage, and employee bonding.

Note 26 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

As explained more fully in Note #15, losses for workers' compensation and certain types of litigation losses have been recognized as liabilities in the General Long-Term Obligations Account Group, with expenditures recognized when due and payable. For unemployment claims, the Michigan Employment Security Commission (MESC) bills the State for the actual amount of claims paid to former State employees. The State accrues liabilities for unemployment compensation only to the extent of the amount paid by MESC through September 30. During the 1988-89 fiscal year, expenditures for payments to former State employees totaled $5.1 million. The potential liability for future payments has not been estimated. As explained more fully below, expenditures for employee insurance benefits are recognized in a manner similar to purchased insurance, except that payments are made to the internal service fund which has been established to provide coverage for these programs. For other uninsured losses, the State recognizes liabilities when it is probable that a loss has occurred and the amount can be reasonably estimated.

State sponsored group insurance: The State is self-funded for most of its employee insurance benefit programs. The programs are accounted for in the State Sponsored Group Insurance Fund, an internal service fund. The fund is reported in accordance with the generally accepted accounting principles applicable to the private insurance industry. Expenses and liabilities for incurred but not reported or not processed benefit claims, based on preliminary estimates from the plan administrators, have been recorded as liabilities in the amount of $82.2 million. This includes a long-term portion which is recorded at a discounted present value of $29.9 million. Unearned premium revenue of $26.8 million, which has been recorded as deferred revenue, represents fund and employee contributions in excess of recognized expenses at the benefit program level.

The Department of Civil Service intends that the various component programs of the fund be self-supporting in the long run. Individual programs may incur deficits during a given year, but each program's surplus, unearned premium balance, or deficit is considered in calculating future charges or benefit levels. Rate reductions have been implemented for certain programs, which had accumulated balances in the fund above recommended levels.

NOTE 27 — CONTINGENCIES AND COMMITMENTS

Litigation - The State is a party to various legal proceedings seeking damages or injunctive or other relief. In addition to routine litigation, certain of these proceedings could, if unfavorably resolved from the point of view of the State, substantially affect State programs or finances. These lawsuits involve programs generally in the areas of prison overcrowding and corrections, highway maintenance and transportation, social services, tax collection, comparable employee compensation, resident county hospitalization, commerce, and budgetary reductions to school districts and governmental units and court funding. Relief sought includes damages in tort cases generally and refund of claims under the single business tax. The State is also a party to various legal proceedings which, if resolved in the State's favor, would result in contingency gains to the State's General Fund balance, but without material effect upon financial position. The ultimate dispositions and consequences of all of these proceedings are not presently determinable, but such ultimate dispositions and consequences of all these legal proceedings will not themselves, in the opinion of the Attorney General of the State and the Department of Management and Budget, have a material adverse effect on the State's financial position.

The State accrues liabilities related to significant legal proceedings if a loss is probable and reasonably estimable. In the event that a significant, probable, and reasonably estimable loss is not settled prior to the preparation of these statements, the obligation is recorded as a general long-term liability or fund liability, depending on the fund type (see Note #15).

Federal Grants - Federal revenues are generally subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. The State recognizes material disallowances when the loss becomes probable and reasonably estimable. As of September 30, 1989, the State estimates that additional disallowances of recognized revenues will not be material to the statements.

For fiscal year 1988-89, estimated mispayments (both State and federal shares) totaled approximately $67.1 million in the Aid to Families with Dependent Children (AFDC) program, $30.2 million in the Food Stamp program and $31.2 million in the Medicaid program. Mispayments for the general assistance program (fully funded by the State) have not been determined.

The federal government previously issued notices of intent to sanction the State because of mispayment rates in excess of federal targets for the AFDC program. Congress, however, enacted the AFDC quality control reform legislation as part of the Budget Reconciliation Act for 1989-90. This act waives all AFDC quality control sanctions through 1989-90.

Note 27 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Gain Contingencies - Certain contingent receivables related to Department of Social Services grant programs are not recorded as assets in these statements. Amounts recoverable from Department of Social Services grant recipients for grant overpayments or from responsible third parties are recorded as receivables only if the amount is reasonably measurable, expected to be received within 12 months, and not contingent upon future grants or the completion of major collection efforts by the State. If recoveries are accrued and the program involves federal participation, a liability for the federal share of the recovery is also accrued. The unrecorded amount of potential recoveries which are ultimately collectible can not be reasonably determined.

Certain mispayments related to Department of Education grant programs are not recorded as assets in these statements. The mispayments generally occur because of the inclusion of ineligible student members in census counts at local school districts and are identified through department audits of membership counts. Receivables resulting from such audits are recognized as the audits are completed.

Construction Projects - As of September 30, 1989, several construction projects were in progress, with several others in the planning stages. A significant portion of these projects involve the construction and renovation of correctional facilities. A more detailed discussion of construction commitments is included in the construction in progress disclosures (Note #11).

The Department of Transportation has entered into construction contracts for transportation related special revenue funds. As of September 30, 1989, the balances remaining in these contracts equalled $299.1 million.

Contingent Liability for Local School District Bonds - Public Act 108 of 1961, as amended, resulted in a contingent liability for the bonds of any school district which are "qualified" by the Superintendent of Public Instruction. Every qualified school district is required to borrow and the State is required to lend to it any amount necessary for the school district to avoid a default on its qualified bonds. In the event that funds are not available in the School Bond Loan Fund in adequate amounts to make such a loan, the State is required to make such loans from the General Fund. As of December 31, 1989 the principal amount of qualified bonds outstanding was $2.3 billion. Total debt service requirements on these bonds including interest will approximate $267.8 million in 1990.

Student Loan Guarantees - The Michigan Higher Education Assistance Authority (MHEAA), which is reported as an enterprise fund in this report, is contingently liable for loans made to students by financial institutions that qualify for guaranty. The State of Michigan, other than MHEAA, is not liable for these loans. The MHEAA's default ratio is currently below 5% for the fiscal year ended September 30, 1989. As a result, the federal government's reinsurance rate for defaults for the fiscal year ended September 30, 1989, is 100%. In the event of future adverse default experience, the MHEAA could be liable for up to 20% of defaulted loans. Management does not expect that all guaranteed loans could default in one year. Accordingly, the MHEAA's expected maximum contingent liability is less than 20% of outstanding guaranteed loans; however, the maximum contingent liability at September 30, 1989 is $296.5 million (20% of loans outstanding).

The MHEAA entered into commitment agreements with all lenders that provide, among other things, that the MHEAA will maintain cash and marketable securities of at least 2% of the aggregate unpaid principal amount of all loans they have guaranteed. The MHEAA was in compliance with this requirement as of September 30, 1989 and 1988.

NOTE 28 — SUBSEQUENT EVENTS

General Obligation Bonds: On November 8, 1988, the electorate authorized the State to issue up to $800 million of additional general obligation bonds for the purposes of environmental protection and recreation. The "Environmental Protection Bond Implementation Act" (P.A. 328 of 1988) establishes how up to $660 million of bonds may be used. The "Recreation Bond Implementation Act" (P.A. 329 of 1988) governs the use of the remaining $140 million. The statutes provide for the issuing of the bonds over a period of time, with no more than 34% to be issued in the year ending November 30, 1989 and 33% in each of the next two year periods. Unissued amounts after those years may be issued at the discretion of the State Administrative Board.

Note 28 continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Subsequent to September 30, 1989, the State issued $100.0 million of such bonds. This included $65.0 million for the environmental protection program, $10.0 million for the recreation program, and $25.0 million for the Great Lakes Protection Fund.

School Bond Loan Fund Borrowing: On October 26, 1989, school loan notes totalling $1.7 million were issued pursuant to Article IX, Section 16 of the State Constitution, and P.A. 112 of 1961, as amended. These were issued to make loans to school districts.

State Trunkline Fund Bonds: In December of 1989, the State issued $145.1 million of State Trunkline Fund Bonds, Series 1989A and Series 1989B. The purpose of the bond issues were to refund a portion of previous bond issues (Series 1983A and Series 1983B) and to fund State Trunkline and Economic Development Fund Construction projects. A portion of the proceeds of the new bonds was placed in trust with an escrow agent to be used to provide the future debt service requirements for the State Trunkline Refunding Bonds Series 1983A and Series 1983B. The remaining portion of the proceeds will be used to fund new construction projects. The bonds consist of both current interest bonds ($133.9 million) and capital appreciation bonds ($11.2 million).

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

II FINANCIAL SECTION

SUPPLEMENTAL FINANCIAL DATA

COMBINING FINANCIAL
STATEMENTS
AND SCHEDULES

2023673497

Source: https://www.industrydocuments.ucsf.edu/docs/[illegible]

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - BY CLASSIFICATION
SEPTEMBER 30, 1989
(In Thousands)

	TRANSPORTATION RELATED	CONSERVATION AND RECREATION RELATED	REGULATORY AND ADMINISTRATIVE RELATED
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 322	$ 1,214	$ 115
Equity in Common Cash	391,893	187,627	22,573
Taxes, interest, and penalties receivable	62,739	11	-
Amounts due from other funds	47,155	4,000	367
Amounts due from federal agencies	100,884	2,269	4,163
Amounts due from local units	26,513	387	-
Inventories	11,317	126	-
Investments	-	-	-
Other current assets	4,294	12,822	588
Total Current Assets	645,121	208,460	27,808
Taxes, interest, and penalties receivable	664	-	-
Advances to other funds	-	-	-
Amounts due from local units	103,899	-	-
Investments	-	-	-
Other noncurrent assets	9,839	-	-
Total Assets	$ 759,524	$ 208,460	$ 27,808
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to Common Cash	$ -	$ -	$ -
Warrants outstanding	14,485	1,233	985
Accounts payable and other liabilities	240,771	3,300	6,439
Amounts due to other funds	37,788	2,617	612
Deferred revenue	9,990	-	2,068
Total Current Liabilities	303,035	7,151	10,105
Long-Term Liabilities:			
Deferred revenue	10,629	847	-
Total Liabilities	313,664	7,999	10,105
Fund Balances:			
Reserved	389,719	105,984	-
Unreserved	56,140	94,476	17,702
Total Fund Balances	445,859	200,460	17,702
Total Liabilities and Fund Balances	$ 759,524	$ 208,460	$ 27,808

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

OTHER STATE FUNDS	COMPONENT UNITS	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988
$ 2	$ 173	$ 1,828	$ 1,240
415,049	-	1,017,144	983,481
144,125	-	206,876	204,070
9,917	63	61,505	60,743
172	-	107,489	81,896
15,409	-	42,311	23,470
-	-	11,443	11,586
-	41,004	41,004	57,148
914	776	19,395	22,993
585,592	42,017	1,509,000	1,446,631
4,257	-	4,921	4,069
1,781	-	1,781	4,953
13,727	-	117,626	118,684
29,362	-	29,362	34,046
-	-	9,839	8,624
$ 634,721	$ 42,017	$ 1,672,532	$ 1,617,009
$ -	$ -	$ -	$ 137,125
411	-	17,116	12,451
10,715	4,329	265,555	260,480
188,483	3,872	233,374	50,265
-	172	12,232	12,393
199,610	8,374	528,278	472,716
4,257	-	15,735	12,783
203,868	8,374	544,013	485,499
50,280	19,543	565,528	548,281
380,572	14,099	562,990	583,227
430,852	33,643	1,128,519	1,131,509
$ 634,721	$ 42,017	$ 1,672,532	$ 1,617,009

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - BY CLASSIFICATION
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	TRANSPORTATION RELATED	CONSERVATION AND RECREATION RELATED	REGULATORY AND ADMINISTRATIVE RELATED
REVENUES			
Taxes	$ 1,127,126	$ 54	$ -
From federal agencies	317,747	4,119	125,119
From local agencies	28,550	367	1,463
From services	965	-	-
From licenses and permits	77,311	46,738	5,509
Miscellaneous	47,618	59,458	5,140
Total Revenues	1,599,319	110,738	137,232
EXPENDITURES			
Current:			
General government	-	-	-
Education	-	-	-
Conservation, recreation, and agriculture	-	9,731	-
Labor, commerce, and regulatory	-	-	125,940
Transportation	1,031,773	-	-
Capital outlay	437,733	17,703	-
Debt service:			
Capital lease payments	1,173	-	1,905
Total Expenditures	1,470,680	27,435	127,845
Excess of Revenues over (under) Expenditures	128,638	83,302	9,386
OTHER FINANCING SOURCES (USES)			
Proceeds from bond and bond anticipation note issues	-	-	-
Capital lease acquisitions	-	-	2,215
Operating transfers in	523,547	18,592	2,926
Operating transfers out	(653,718)	(81,206)	(13,673)
Total Other Financing Sources (Uses)	(130,170)	(62,613)	(8,532)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,532)	20,689	854
Fund Balances - Beginning of fiscal year	447,391	181,090	23,164
Equity transfers to other funds	-	(1,319)	(6,316)
Fund Balances - End of fiscal year	$ 445,859	$ 200,460	$ 17,702

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

OTHER STATE FUNDS	COMPONENT UNITS	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ 1,681,651	$ -	$ 2,808,831	$ 2,687,974
47,458	-	494,444	498,608
839	-	31,220	30,098
-	74	1,039	952
-	6,199	135,758	113,011
47,333	3,566	163,118	154,107
1,777,283	9,839	3,634,412	3,484,753
5,885	-	5,885	10,747
2,727,908	20,282	2,748,190	2,805,022
-	54	9,786	8,914
-	-	125,940	117,126
-	4,198	1,035,972	963,514
-	-	455,437	481,465
-	-	3,078	3,677
2,733,793	24,535	4,384,291	4,390,470
(956,510)	(14,696)	(749,878)	(905,716)
3,400	8,043	11,443	77,516
-	-	2,215	18
967,266	54	1,512,388	1,607,017
(18,955)	(2,649)	(770,203)	(743,390)
951,711	5,449	755,844	941,160
(4,798)	(9,246)	5,965	35,443
436,972	42,890	1,131,509	1,096,601
(1,320)	-	(8,956)	(536)
$ 430,852	$ 33,643	$ 1,128,519	$ 1,131,509

2023673501

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - BY CLASSIFICATION
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	TRANSPORTATION RELATED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
Taxes	$ 1,135,600	$ 1,127,126	$ (8,473)
From federal agencies	302,300	317,747	15,447
From local agencies	41,138	28,113	(13,024)
From services	630	965	335
From licenses and permits	76,222	77,311	1,089
Miscellaneous	69,209	45,368	(23,840)
Operating transfers in	473,700	522,015	48,315
Total Revenues and Other Sources	2,098,800	2,118,647	19,847
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT			
Management and Budget	-	-	-
Education	-	-	-
Transportation	2,202,391	2,167,830	34,561
Labor	-	-	-
Licensing and Regulation	-	-	-
Natural Resources	-	-	-
Total Expenditures, Operating Transfers Out, and Encumbrances	2,202,391	2,167,830	34,561
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ (103,591)	(49,182)	$ 54,408
Reconciling Items:			
Encumbrances at September 30		65,515	
Funds not annually budgeted		(17,865)	
Net Reconciling Items		47,650	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(1,532)	
FUND BALANCES (GAAP BASIS)			
Beginning balances		447,391	
Equity transfers to other funds		-	
Ending balances (GAAP Basis)		$ 445,859	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

CONSERVATION AND RECREATION RELATED			REGULATORY AND ADMINISTRATIVE RELATED			OTHER STATE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ 54	$ 54	$ -	$ -	$ -	$ 1,691,800	$ 1,681,651	$ (10,148)
4,830	4,119	(711)	111,000	125,119	14,119	51,336	47,458	(3,877)
-	-	-	4,192	1,463	(2,729)	800	839	39
-	-	-	-	-	-	-	-	-
47,687	46,738	(948)	5,068	5,509	440	-	-	-
47,182	51,633	4,451	3,938	5,140	1,201	38,963	47,333	8,370
-	18,592	18,592	-	2,926	2,926	993,800	966,446	(27,353)
99,700	121,138	21,438	124,200	140,158	15,958	2,776,700	2,743,729	(32,970)
-	-	-	-	-	-	23,791	21,537	2,254
-	-	-	-	-	-	2,690,812	2,691,696	(883)
-	-	-	-	-	-	-	-	-
-	-	-	139,063	138,834	228	-	-	-
-	-	-	668	469	199	-	-	-
105,608	103,316	2,291	-	-	-	-	-	-
105,608	103,316	2,291	139,731	139,304	427	2,714,604	2,713,234	1,370
$ (5,908)	17,821	$ 23,730	$ (15,531)	854	$ 16,386	$ 62,095	30,495	$ (31,600)
	-			-			4	
	2,867			-			(35,298)	
	2,867			-			(35,294)	
	20,689			854			(4,798)	
	181,090			23,164			436,972	
	(1,319)			(6,316)			(1,320)	
	$ 200,460			$ 17,702			$ 430,852	

This schedule continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - BY CLASSIFICATION (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	COMPONENT UNITS BUDGET	COMPONENT UNITS ACTUAL	COMPONENT UNITS VARIANCE FAVORABLE (UNFAVORABLE)	TOTALS BUDGET	TOTALS ACTUAL	TOTALS VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES						
Taxes	$ -	$ -	$ -	$ 2,827,400	$ 2,808,831	$ (18,568)
From federal agencies	-	-	-	469,466	494,444	24,977
From local agencies	-	-	-	46,130	30,416	(15,714)
From services	-	-	-	630	965	335
From licenses and permits	-	-	-	128,978	129,559	580
Miscellaneous	-	-	-	159,294	149,476	(9,817)
Operating transfers in	-	-	-	1,467,500	1,509,980	42,480
Total Revenues and Other Sources	-	-	-	5,099,400	5,123,674	24,274
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT						
Management and Budget	-	-	-	23,791	21,537	2,254
Education	-	-	-	2,690,812	2,691,696	(883)
Transportation	-	-	-	2,202,391	2,167,830	34,561
Labor	-	-	-	139,063	138,834	228
Licensing and Regulation	-	-	-	668	469	199
Natural Resources	-	-	-	105,608	103,316	2,291
Total Expenditures, Operating Transfers Out, and Encumbrances	-	-	-	5,162,336	5,123,685	38,651
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ -	-	$ -	$ (62,936)	(10)	$ 62,926
Reconciling Items:						
Encumbrances at September 30		-			65,520	
Funds not annually budgeted		(9,246)			(59,543)	
Net Reconciling Items		(9,246)			5,976	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		(9,246)			5,965	
FUND BALANCES (GAAP BASIS)						
Beginning balances		42,890			1,131,509	
Equity transfers to other funds		-			(8,956)	
Ending balances (GAAP Basis)		$ 33,643			$ 1,128,519	

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STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989

STATE AERONAUTICS FUND

This fund, established by P.A. 327 of 1945, is administered by the Department of Transportation for improvement of airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal and local contributions and aviation fuel taxes. Expenditures and transfers are for administration and local airport improvement project costs.

STATE TRUNKLINE FUND

This fund is administered by the Department of Transportation for construction and maintenance of highways. Its overall budget is subject to annual legislative review and appropriation, but the Transportation Commission has significant discretion in determining the funding of individual projects. Financing consists primarily of a transfer from the Michigan Transportation Fund, federal aid, and local participation. Expenditures and outgoing transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations. In accordance with statutory provisions, any fund balance not otherwise reserved at fiscal year-end is appropriated and reserved for road and bridge construction purposes.

The State Trunkline Fund also is used to record loans made to local units of government for reconstructing and resurfacing roadways. Funds for such loans are made available by transfer from the 1983 State Trunkline Fund Bond Proceeds Fund and the 1984 State Trunkline Fund Bond Proceeds Fund. Loan repayments, which are received directly by the State Trunkline Fund, are not pledged to the payment of the bonds related to the loans.

MICHIGAN TRANSPORTATION FUND

This fund, established by section 10 of P.A. 51 of 1951, as amended, is administered jointly by the Department of Transportation and the Department of State. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made from the fund to the General Fund, State Trunkline Fund, and the Comprehensive Transportation Fund. Expenditures include grants to counties, cities, and villages for highway purposes.

COMPREHENSIVE TRANSPORTATION FUND

This fund, established by P.A. 327 of 1972, as amended, is administered by the Department of Transportation. It was created to account for the planning and development of public transportation systems within the State. Financing is provided by federal and local revenues, vehicle-related sales tax, and transfers from the Michigan Transportation Fund. In accordance with statutory provisions, any unencumbered balance at fiscal year-end lapses and reverts to the fund for appropriation in the following fiscal year. In addition to providing direct expenditures for public transportation purposes, the fund is used to provide financing for entities providing bus and rail services. Such financing is provided primarily by purchasing buses and reselling them to private carriers on a credit basis and by purchasing and leasing back rail-related assets.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989

COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to $217 million of comprehensive transportation bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

The State Transportation Commission approved issuance of $106.3 million Series A bonds in 1980 and $50 million Series B bonds in 1981. These bonds are used to finance part of the costs of constructing and acquiring comprehensive transportation projects. A majority of these projects, as approved by legislative action, are undertaken to enhance local transportation systems.

1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of $135 million of State trunkline bonds issued in 1983. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for State trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

These bonds are being used in part to finance the costs of reconstructing and resurfacing portions of the State trunkline system. The bonds were also used to finance loans to local units of government for reconstructing and resurfacing roadways. These loans are recorded as assets in the State Trunkline Fund, which receives loan repayments.

1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of $60 million of comprehensive transportation bonds issued in 1984. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for disposition in the Comprehensive Transportation Fund. These bonds are being used to finance part of the construction and acquisition of comprehensive transportation projects.

1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of $50 million of State trunkline bonds issued in 1984. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for State trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund.

These bonds are being used in part to finance the costs of reconstructing and resurfacing portions of the State trunkline system. The bonds were also used to finance loans to local units of government for reconstructing and resurfacing roadways. These loans are recorded as assets in the State Trunkline Fund, which receives the loan repayments.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED
SEPTEMBER 30, 1989
(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND
ASSETS				
Current Assets:				
Cash and cash equivalents	$ -	$ 319	$ -	$ 1
Equity in Common Cash	11,153	149,285	116,243	100,159
Taxes, interest, and penalties receivable	333	-	62,405	-
Amounts due from other funds	253	33,512	2,949	10,020
Amounts due from federal agencies	12,098	79,050	-	9,735
Amounts due from local units	1,131	25,092	-	26
Inventories	-	11,317	-	-
Other current assets	32	2,557	327	1,292
Total Current Assets	25,003	301,136	181,926	121,235
Taxes, interest, and penalties receivable	-	-	663	-
Amounts due from local units	766	102,716	-	416
Other noncurrent assets:				
Amounts due from private carriers	-	-	-	4,698
Land contracts outstanding	-	4,417	-	80
Miscellaneous accounts receivable	-	-	-	643
Total other noncurrent assets	-	4,417	-	5,422
Total Assets	$ 25,771	$ 408,270	$ 182,589	$ 127,074
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	$ 635	$ 9,217	$ 221	$ 4,365
Accounts payable and other liabilities	5,384	79,802	143,918	10,546
Amounts due to other funds	7	407	37,358	14
Deferred revenue	3,556	5,730	-	703
Total Current Liabilities	9,584	95,156	181,498	15,629
Long-Term Liabilities:				
Deferred revenue	-	4,770	663	5,195
Total Liabilities	9,585	99,927	182,162	20,825
Fund Balances:				
Reserves for:				
Budgetary carry-forwards:				
Encumbrances	78	2,638	-	62,798
Restricted revenues	-	25,268	427	7,933
Multi-year projects	7,775	178,073	-	29
Revolving loan programs	922	-	-	-
Noncurrent assets	766	102,363	-	643
Total Reserved	9,543	308,343	427	71,404
Unreserved	6,642	-	-	34,844
Total Fund Balances	16,185	308,343	427	106,249
Total Liabilities and Fund Balances	$ 25,771	$ 408,270	$ 182,589	$ 127,074

2023673508

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND	1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND	TOTALS	
				SEPTEMBER 30, 1989	SEPTEMBER 30, 1988
$ -	$ -	$ -	$ -	$ 322	$ 283
3,304	50	10,650	1,045	391,893	392,221
-	-	-	-	62,739	64,111
128	4	240	46	47,155	48,656
-	-	-	-	100,884	78,093
-	-	-	263	26,513	21,898
-	-	-	-	11,317	11,542
83	-	-	-	4,294	7,624
3,516	55	10,891	1,355	645,121	624,430
-	-	-	-	664	860
-	-	-	-	103,899	109,251
-	-	-	-	4,698	4,436
-	-	-	-	4,498	4,187
-	-	-	-	643	-
-	-	-	-	9,839	8,624
$ 3,516	$ 55	$ 10,891	$ 1,355	$ 759,524	$ 743,166
$ 31	$ -	$ -	$ 14	$ 14,485	$ 9,670
724	-	135	258	240,771	226,279
-	-	-	-	37,788	39,083
-	-	-	-	9,990	11,258
756	-	135	272	303,035	286,290
-	-	-	-	10,629	9,484
756	-	135	272	313,664	295,774
-	-	-	-	65,515	57,259
-	-	-	-	33,629	21,924
-	-	-	-	185,877	180,343
-	-	-	-	922	513
-	-	-	-	103,773	109,251
-	-	-	-	389,719	369,291
2,759	55	10,755	1,082	56,140	78,099
2,759	55	10,755	1,082	445,859	447,391
$ 3,516	$ 55	$ 10,891	$ 1,355	$ 759,524	$ 743,166

2023673509

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS – TRANSPORTATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND
REVENUES				
Taxes	$ 5,605	$ –	$ 1,077,074	$ 44,445
From federal agencies	27,883	281,373	–	8,490
From local agencies	2,794	25,318	–	–
From services	965	–	–	–
From licenses and permits	225	14,642	62,335	108
Miscellaneous	1,053	23,319	11,188	9,807
Total Revenues	38,527	344,653	1,150,598	62,853
EXPENDITURES				
Current:				
Transportation	35,170	283,133	561,119	142,385
Capital outlay	–	427,164	–	–
Debt service:				
Capital lease payments	–	1,173	–	–
Total Expenditures	35,170	711,470	561,119	142,385
Excess of Revenues over (under) Expenditures	3,356	(366,817)	589,479	(79,531)
OTHER FINANCING SOURCES (USES)				
Capital lease acquisitions	–	–	–	–
Operating transfers in	–	414,279	1,155	106,579
Operating transfers out	(504)	(38,284)	(590,616)	(22,762)
Total Other Financing Sources (Uses)	(503)	375,995	(589,461)	83,816
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	2,853	9,177	18	4,284
Fund Balances – Beginning of fiscal year	13,332	299,166	409	101,964
Fund Balances – End of fiscal year	$ 16,185	$ 308,343	$ 427	$ 106,249

2023673510

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND	1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ -	$ -	$ -	$ -	$ 1,127,126	$ 1,092,729
-	-	-	-	317,747	333,205
-	-	-	437	28,550	28,017
-	-	-	-	965	888
-	-	-	-	77,311	53,985
842	84	957	365	47,618	48,803
842	84	957	802	1,599,319	1,557,630
7,689	-	2,275	-	1,031,773	958,246
-	2,756	-	7,813	437,733	465,964
-	-	-	-	1,173	1,181
7,689	2,756	2,275	7,813	1,470,680	1,425,391
(6,847)	(2,671)	(1,317)	(7,010)	128,638	132,239
-	-	-	-	-	18
-	-	1,532	-	523,547	485,899
(1,537)	(2)	(6)	(3)	(653,718)	(614,715)
(1,537)	(2)	1,525	(3)	(130,170)	(128,797)
(8,385)	(2,673)	207	(7,013)	(1,532)	3,441
11,145	2,729	10,547	8,096	447,391	443,950
$ 2,759	$ 55	$ 10,755	$ 1,082	$ 445,859	$ 447,391

2023673511

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	STATE AERONAUTICS FUND BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
Taxes	$ 5,800	$ 5,605	$ (194)
From federal agencies	43,500	27,883	(15,616)
From local agencies	5,849	2,794	(3,054)
From services	630	965	335
From licenses and permits	100	225	125
Miscellaneous	620	1,053	433
Operating transfers in	-	-	-
Total Revenues and Other Sources	56,500	38,528	(17,971)
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT			
Transportation	38,007	35,753	2,254
Total Expenditures, Operating Transfers Out, and Encumbrances	38,007	35,753	2,254
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ 18,492	2,774	$ (15,717)
Reconciling Items:			
Encumbrances at September 30		78	
Funds not annually budgeted		-	
Net Reconciling Items		78	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		2,853	
FUND BALANCES (GAAP BASIS)			
Beginning balances		13,332	
Ending balances (GAAP Basis)		$ 16,185	

2023673512

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE TRUNKLINE FUND			MICHIGAN TRANSPORTATION FUND			COMPREHENSIVE TRANSPORTATION FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 1,086,200	$ 1,077,074	$ (9,125)	$ 43,600	$ 44,445	$ 845
249,400	281,373	31,973	-	-	-	9,400	8,490	(909)
35,288	25,318	(9,969)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
15,298	14,642	(656)	60,731	62,335	1,604	92	108	16
48,712	23,319	(25,393)	11,268	11,188	(80)	8,607	9,807	1,200
366,000	414,279	48,279	-	1,155	1,155	107,700	106,579	(1,120)
714,700	758,933	44,233	1,158,200	1,151,753	(6,446)	169,400	169,432	32
775,468	752,394	23,074	1,153,902	1,151,735	2,166	235,012	227,946	7,066
775,468	752,394	23,074	1,153,902	1,151,735	2,166	235,012	227,946	7,066
$ (60,768)	6,539	$ 67,307	$ 4,297	18	$ (4,279)	$ (65,612)	(58,514)	$ 7,098
	2,638			-			62,798	
	-			-			-	
	2,638			-			62,798	
	9,177			18			4,284	
	299,166			409			101,964	
	$ 308,343			$ 427			$ 106,249	

This schedule continued on next page.

2023673513

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	FUNDS NOT ANNUALLY BUDGETED			
	COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	1983 STATE TRUNKLINE FUND BOND PROCEEDS FUND	1984 COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	1984 STATE TRUNKLINE FUND BOND PROCEEDS FUND
Statutory/Budgetary Basis	ACTUAL	ACTUAL	ACTUAL	ACTUAL
REVENUES AND OTHER SOURCES				
Taxes	$ -	$ -	$ -	$ -
From federal agencies	-	-	-	-
From local agencies	-	-	-	-
From services	-	-	-	-
From licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
Operating transfers in	-	-	-	-
Total Revenues and Other Sources	-	-	-	-
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT				
Transportation	-	-	-	-
Total Expenditures, Operating Transfers Out, and Encumbrances	-	-	-	-
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	-	-	-	-
Reconciling Items:				
Encumbrances at September 30	-	-	-	-
Funds not annually budgeted	(8,385)	(2,673)	207	(7,013)
Net Reconciling Items	(8,385)	(2,673)	207	(7,013)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)	(8,385)	(2,673)	207	(7,013)
FUND BALANCES (GAAP BASIS)				
Beginning balances	11,145	2,729	10,547	8,096
Ending balances (GAAP Basis)	$ 2,759	$ 55	$ 10,755	$ 1,082

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 1,135,600	$ 1,127,126	$ (8,473)
302,300	317,747	15,447
41,138	28,113	(13,024)
630	965	335
76,222	77,311	1,089
69,209	45,368	(23,840)
473,700	522,015	48,315
2,098,800	2,118,647	19,847
2,202,391	2,167,830	34,561
2,202,391	2,167,830	34,561
$ (103,591)	(49,182)	$ 54,408
	65,515	
	(17,865)	
	47,650	
	(1,532)	
	447,391	
	$ 445,859	

2023673515

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS – CONSERVATION AND RECREATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989

GAME AND FISH PROTECTION FUND

This fund was established by P.A. 17 of 1921. It is financed principally from hunting and fishing license fees whose purpose is to support the conservation program for preservation and control of fish and wildlife. Activity in this fund consists primarily of transfers to the General Fund. The transfers finance appropriations for game and fish related activities and for grants to counties, made under provisions of P.A. 91 of 1925, as payment in lieu of taxes on certain State owned real property purchased from this fund. Since October 1, 1987, oil and gas revenues derived from leases on land which had been purchased by the Game and Fish Protection Fund are being credited to the Game and Fish Protection Trust Fund.

MICHIGAN STATE WATERWAYS FUND

This fund was established by P.A. 320 of 1947. Subsequent legislation has broadened the fund's activities and increased its sources of revenue. It receives portions of watercraft registration fees and gasoline taxes, some of which are collected by other State funds and credited as operating transfers into this fund. These revenues are directed primarily toward improvement of lake harbors, docking facilities, and inland waterways. Expenditures for certain items, such as capital outlay, grants to local units, and marine fuel purchases, are made directly from the fund. Other expenditures are recorded in the General Fund, with financing provided by transfers from this fund.

MARINE SAFETY FUND

This fund was established by P.A. 303 of 1967 and is financed principally by a portion of watercraft registration fees imposed by this act. Amendatory Act 153 of 1974 provided for a graduated watercraft registration fee based upon the length of a vessel or motorboat and brought licensees onto a 3-year renewal cycle. This causes the fee revenues every third year to be significantly higher than the intervening years. The 1989-90 fiscal year will be a major renewal year. Through transfers to the General Fund and grants to counties, this fund provides educational programs, law enforcement and the establishment of regulations for the operation of watercraft on the waters of this State.

Public Act 56 of 1988 reduced this fund's share of watercraft registration fees from 75% to 60% effective March 13, 1988. On January 1, 1989, the share dropped to 49%. These changes were made to provide funding for the new Harbor Development Program, which has been incorporated into the Michigan State Waterways Fund. Effective January 1, 1989, this law also created the Marine Safety Advisory Council within the Department of Natural Resources. The department is required to allocate funding to counties as recommended by the Advisory Council. Further, P.A. 56 significantly increases watercraft registration fees in two increments effective January 1, 1989 and January 1, 1990.

GAME AND FISH PROTECTION TRUST FUND

This fund was created by P.A. 73 of 1986 to restrict certain assets for the purpose of generating interest and earnings which must be transferred to the Game and Fish Protection Fund each year. Initial funding in 1985-86 was by equity transfer of monies which were previously held in the State Recreational Land Acquisition Trust Fund in the subfund reserve established by P.A. 204 of 1976, Section 4. Additional investment funding is being provided primarily by mineral royalties from lands acquired by the Game and Fish Protection Fund which, by statute, are being retained for permanent investment. As specified by P.A. 73 of 1986, since October 1, 1987 various mineral royalties, direct sale proceeds and other revenues previously deposited in the Game and Fish Protection Fund and the Michigan Natural Resources Trust Fund have been credited to the Game and Fish Protection Trust Fund.

STATE PARK IMPROVEMENT FUND

This fund was established by P.A. 149 of 1960 as amended, and is financed mainly by the proceeds of an authorized $20 million revenue dedicated bond issue and from State park permit fees necessary for entry by motor vehicle into designated State parks. Permit fees are recorded as operating transfers from the State Park Revenue Bond Fund which makes allocations from such fees.

The resources of this fund are subject to appropriations by the Legislature for operation, the acquisition of land, construction, development, and improvement of State parks. Operating transfers out consist mainly of transfers to the General Fund for support of park operations and administrative expenditures.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

RECREATION BOND FUND - LOCAL PROJECTS

This fund was established by P.A. 327 of 1988 to account for the proceeds of $70.0 million of general obligation bonds approved by the people in November, 1988 as part of a $140.0 million bond package for financing state and local public recreation projects. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 State Constitution. Public Act 329 of 1988 specifies that $65.0 million of the proceeds of these bonds will be used to provide grants and loans to local units of government for local public recreation projects. It also specifies that $5.0 million shall be used to provide grants and loans to local units of government for the purpose of discouraging development of open space and undeveloped lands. These activities are accounted for in this fund. An initial bond sale of $1.5 million was made for these purposes in November, 1989. This fund is administered by the Department of Natural Resources.

ENVIRONMENTAL PROTECTION BOND FUND

This fund was established by P.A. 326 of 1988 to account for the proceeds of $660.0 million of general obligation bonds approved by the people in November, 1988. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 State Constitution. The bonds are authorized for financing environmental protection programs that would clean up sites of toxic and other environmental contamination and contribute to a regional Great Lakes protection fund, address solid waste problems, treat sewage and other water quality problems, and reuse industrial sites and preserve open space. Public Act 328 of 1988 specifies that not more than $425.0 million of the proceeds of these bonds will be available to clean up sites of toxic and other environmental contamination, not more than $150.0 million will be available for solid waste projects, not more than $60.0 million will be available to capitalize a state water pollution control revolving fund, and not more than $25.0 million will be available to fund Michigan's participation in a regional Great Lakes protection fund. An initial bond sale of $65.0 million was made in November, 1989. This fund is administered by the Department of Natural Resources.

MICHIGAN NATURAL RESOURCES TRUST FUND

The State Constitution was amended in November, 1984 to provide for a "Michigan Natural Resources Trust Fund." Public Act 101 of 1985 implemented the amendment by stipulating that the State Recreational Land Acquisition Trust Fund be merged into the Michigan Natural Resources Trust Fund effective October 1, 1985. Most rentals, royalties and other revenues derived from mineral, coal, oil, and gas interests on land owned by the State are credited to the fund for future purchases of land for recreational purposes, for administrative expenditures, and for the payment of any taxes owed by the State on the land. The fund is also required to make distributions through September 30, 2032 to the Michigan Strategic Fund.

WATER POLLUTION CONTROL BOND FUND

This fund was established by P.A. 329 of 1966 to account for the proceeds of $335.0 million of general obligation bonds approved by the people in November, 1968, for the prevention and abatement of water pollution. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 Constitution and P.A. 76 of 1968. Bond sales were completed in November, 1984 with a $33.0 million sale. The proceeds of these bonds are used to assist local units of government in financing construction of facilities for treatment of sewage and other liquid wastes. The fund is administered by the Department of Natural Resources.

MICHIGAN NONGAME FISH AND WILDLIFE FUND

This fund was established by P.A. 189 of 1983 as amended by P.A. 145 of 1985 and P.A. 285 of 1986 to provide for research and management of nongame fish and wildlife, designated endangered species, and designated plant species of this state. Until 1994, or sooner if the assets of the fund exceed $6.0 million, Michigan state income taxpayers may designate $2 or more of their tax refund to this fund. The fund may also receive appropriations from other funds, donations, and investment income.

Annually, 20% or more of the fund's revenues must be retained for permanent investment. The State Treasurer directs the fund's investments. Expenditures for grants are appropriated and recorded in this fund. Other expenditures are appropriated and recorded in the General Fund, with financing provided by operating transfers from this fund.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED
SEPTEMBER 30, 1989
(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 1,010	$ 3	$ -	$ 24	$ 22
Equity in Common Cash	3,461	9,052	2,283	22,382	4,178
Taxes, interest, and penalties receivable	-	11	-	-	-
Amounts due from other funds	-	130	61	528	5
Amounts due from federal agencies	1,343	292	632	-	-
Amounts due from local units	-	-	-	-	-
Inventories	-	126	-	-	-
Other current assets	8,235	6	1	367	-
Total Current Assets	14,051	9,624	2,978	23,302	4,205
Total Assets	$ 14,051	$ 9,624	$ 2,978	$ 23,302	$ 4,205
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Warrants outstanding	$ 578	$ 3	$ 4	$ -	$ 136
Accounts payable and other liabilities	698	71	277	-	404
Amounts due to other funds	35	-	-	-	2
Total Current Liabilities	1,312	75	282	-	543
Long-Term Liabilities:					
Deferred revenue	-	-	-	-	-
Total Liabilities	1,312	75	282	-	543
Fund Balances:					
Reserves for:					
Budgetary carry-forwards:					
Restricted revenues	5,892	2,584	-	-	-
Multi-year projects	1,043	6,083	-	-	3,557
Funds held as permanent investments	-	-	-	23,302	-
Total Reserved	6,936	8,668	-	23,302	3,557
Unreserved	5,802	880	2,696	-	104
Total Fund Balances	12,738	9,549	2,696	23,302	3,662
Total Liabilities and Fund Balances	$ 14,051	$ 9,624	$ 2,978	$ 23,302	$ 4,205

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

RECREATION BOND FUND–LOCAL PROJECTS	ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN NATURAL RESOURCES TRUST FUND	WATER POLLUTION CONTROL BOND FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	TOTALS	
					SEPTEMBER 30, 1989	SEPTEMBER 30, 1988
$ –	$ –	$ 153	$ –	$ –	$ 1,214	$ 25
–	–	138,393	6,624	1,251	187,627	171,015
–	–	–	–	–	11	10
–	–	3,093	155	27	4,000	3,183
–	–	–	–	–	2,269	534
–	–	–	387	–	387	385
–	–	–	–	–	126	44
–	–	4,148	–	63	12,822	12,001
–	–	145,787	7,167	1,342	208,460	187,201
$ –0–	$ –0–	$ 145,787	$ 7,167	$ 1,342	$ 208,460	$ 187,201
$ –	$ –	$ 422	$ 77	$ 9	$ 1,233	$ 732
–	3	1,024	816	3	3,300	5,330
176	2,402	–	–	–	2,617	47
176	2,406	1,447	894	13	7,151	6,110
–	–	847	–	–	847	–
176	2,406	2,295	894	13	7,999	6,110
–	–	–	–	–	8,476	5,562
–	–	62,619	–	–	73,304	66,207
–	–	–	–	900	24,202	18,672
–	–	62,619	–	900	105,984	90,442
(176)	(2,406)	80,872	6,273	429	94,476	90,648
(176)	(2,406)	143,492	6,273	1,329	200,460	181,090
$ –0–	$ –0–	$ 145,787	$ 7,167	$ 1,342	$ 208,460	$ 187,201

2023673519

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	GAME AND FISH PROTECTION TRUST FUND	STATE PARK IMPROVEMENT FUND
REVENUES					
Taxes	$ -	$ 54	$ -	$ -	$ -
From federal agencies	2,401	1,079	632	-	5
From local agencies	-	-	-	-	-
From licenses and permits	40,919	2,840	2,978	-	-
Miscellaneous	1,237	2,231	201	7,140	205
Total Revenues	44,557	6,206	3,812	7,140	211
EXPENDITURES					
Current:					
Conservation, recreation, and agriculture.	22	2,679	2,029	-	-
Capital outlay	2,513	1,384	-	-	2,447
Total Expenditures	2,535	4,064	2,029	-	2,447
Excess of Revenues over (under) Expenditures	42,021	2,142	1,782	7,140	(2,236)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	3,955	9,922	-	-	4,445
Operating transfers out	(43,125)	(7,665)	(1,462)	(1,909)	(4,122)
Total Other Financing Sources (Uses)	(39,170)	2,256	(1,462)	(1,909)	322
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	2,851	4,398	319	5,230	(1,913)
Fund Balances - Beginning of fiscal year	9,886	5,150	2,376	18,072	5,576
Equity transfers to other funds	-	-	-	-	-
Fund Balances - End of fiscal year	$ 12,738	$ 9,549	$ 2,696	$ 23,302	$ 3,662

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

RECREATION BOND FUND–LOCAL PROJECTS	ENVIRONMENTAL PROTECTION BOND FUND	MICHIGAN NATURAL RESOURCES TRUST FUND	WATER POLLUTION CONTROL BOND FUND	MICHIGAN NONGAME FISH AND WILDLIFE FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ –	$ –	$ –	$ –	$ –	$ 54	$ 23
–	–	–	–	–	4,119	2,878
–	–	–	367	–	367	–
–	–	–	–	–	46,738	45,472
–	–	47,138	684	620	59,458	58,131
–	–	47,138	1,051	620	110,738	106,506
–	3	4,055	828	111	9,731	8,896
–	–	11,357	–	–	17,703	15,501
–	3	15,413	828	111	27,435	24,398
–	(3)	31,724	222	508	83,302	82,107
–	–	269	–	–	18,592	17,224
(176)	(2,402)	(20,072)	(3)	(264)	(81,206)	(80,781)
(176)	(2,402)	(19,803)	(3)	(264)	(62,613)	(63,556)
(176)	(2,406)	11,921	219	244	20,689	18,551
-0-	-0-	132,890	6,053	1,084	181,090	163,075
–	–	(1,319)	–	–	(1,319)	(536)
$ (176)	$ (2,406)	$ 143,492	$ 6,273	$ 1,329	$ 200,460	$ 181,090

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	GAME AND FISH PROTECTION FUND			MICHIGAN STATE WATERWAYS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES						
Taxes	$ -	$ -	$ -	$ -	$ 54	$ 54
From federal agencies	337	2,401	2,063	2,880	1,079	(1,801)
From licenses and permits	39,700	40,919	1,219	5,387	2,840	(2,546)
Miscellaneous	562	1,237	675	5,432	2,231	(3,200)
Operating transfers in	-	3,955	3,955	-	9,922	9,922
Total Revenues and Other Sources	40,600	48,513	7,913	13,700	16,128	2,428
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT						
Natural Resources	46,806	45,661	1,144	12,506	11,730	776
Total Expenditures, Operating Transfers Out, and Encumbrances	46,806	45,661	1,144	12,506	11,730	776
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ (6,206)	2,851	$ 9,057	$ 1,193	4,398	$ 3,204
Reconciling Items:						
Funds not annually budgeted		-			-	
Net Reconciling Items		-			-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		2,851			4,398	
FUND BALANCES (GAAP BASIS)						
Beginning balances		9,886			5,150	
Equity transfers to other funds		-			-	
Ending balances (GAAP Basis)		$ 12,738			$ 9,549	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MARINE SAFETY FUND			STATE PARK IMPROVEMENT FUND			MICHIGAN NATURAL RESOURCES TRUST FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
143	632	488	1,372	5	(1,366)	95	-	(95)
2,600	2,978	378	-	-	-	-	-	-
56	201	145	3,027	205	(2,822)	37,404	47,138	9,734
-	-	-	-	4,445	4,445	-	269	269
2,800	3,812	1,012	4,400	4,656	256	37,500	47,407	9,907
3,595	3,492	102	6,580	6,570	10	35,602	35,485	116
3,595	3,492	102	6,580	6,570	10	35,602	35,485	116
$ (795)	319	$ 1,114	$ (2,180)	(1,913)	$ 266	$ 1,897	11,921	$ 10,023
	-			-			-	
	-			-			-	
	319			(1,913)			11,921	
	2,376			5,576			132,890	
	-			-			(1,319)	
	$ 2,696			$ 3,662			$ 143,492	

nis schedule continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS – CONSERVATION AND RECREATION RELATED (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	MICHIGAN NONGAME FISH AND WILDLIFE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
Taxes	$ –	$ –	$ –
From federal agencies	–	–	–
From licenses and permits	–	–	–
Miscellaneous	700	620	(79)
Operating transfers in	–	–	–
Total Revenues and Other Sources	700	620	(79)
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES – BY DEPARTMENT			
Natural Resources	518	376	141
Total Expenditures, Operating Transfers Out, and Encumbrances	518	376	141
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ 182	244	$ 62
Reconciling Items:			
Funds not annually budgeted		–	
Net Reconciling Items		–	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		244	
FUND BALANCES (GAAP BASIS)			
Beginning balances		1,084	
Equity transfers to other funds		–	
Ending balances (GAAP Basis)		$ 1,329	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

FUNDS NOT ANNUALLY BUDGETED						
GAME AND FISH PROTECTION TRUST FUND	RECREATION BOND FUND–LOCAL PROJECTS	ENVIRONMENTAL PROTECTION BOND FUND	WATER POLLUTION CONTROL BOND FUND	TOTALS		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ –	$ –	$ –	$ –	$ –	$ 54	$ 54
–	–	–	–	4,830	4,119	(711)
–	–	–	–	47,687	46,738	(948)
–	–	–	–	47,182	51,633	4,451
–	–	–	–	–	18,592	18,592
–	–	–	–	99,700	121,138	21,438
–	–	–	–	105,608	103,316	2,291
–	–	–	–	105,608	103,316	2,291
–	–	–	–	$ (5,908)	17,821	$ 23,730
5,230	(176)	(2,406)	219		2,867	
5,230	(176)	(2,406)	219		2,867	
5,230	(176)	(2,406)	219		20,689	
18,072	–0–	–0–	6,053		181,090	
–	–	–	–		(1,319)	
$ 23,302	$ (176)	$ (2,406)	$ 6,273		$ 200,460	

2023673525

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989

MICHIGAN EMPLOYMENT SECURITY ACT — ADMINISTRATION FUND

This fund was created by P.A. 1 of 1936 (Extra Session) to account for administrative costs of the Michigan Employment Security Commission (MESC). The fund derives most of its revenue from federal grants and, when approved by the commission, transfers from the Michigan Employment Security Act Contingent Fund (an expendable trust fund). Expenditures for administration are subject to legislative appropriation.

Unemployment benefit payments to individuals are made directly from trust funds accumulated from employer premium payments. These activities are reported in the Michigan Unemployment Compensation Fund (a component unit reported as an expendable trust fund).

MOTOR VEHICLE ACCIDENT CLAIMS FUND

The Motor Vehicle Accident Claims Fund, established by P.A. 198 of 1965, was financed by a $45 fee for uninsured motor vehicles. The purpose of the fund was diminished by P.A. 294 of 1972. This act implemented "no fault" insurance in Michigan and requires that the owner of each motor vehicle registered in Michigan be covered by the insurance specified in the act. Since October 1, 1973, the effective date of this act, the $45 fee for uninsured motorists has not been collected.

Currently, revenues are derived from installment repayments by uninsured motorists for claims and/or court judgments and from interest earnings. Claim settlements and administrative costs are appropriated in the General Fund where they are incorporated in the Department of State's budget. Claims which have been settled but unreimbursed by uninsured motorists found at fault amounted to $11.8 million at September 30, 1989. Of this amount, approximately $9.4 million is anticipated to be uncollectable. Because of the poor history of recoveries of such settlements this amount has not been reflected in the financial statements by the recognition of revenue and the corresponding amount receivable.

Beginning with this fiscal year, the remaining activities of the fund are being recorded in restricted accounts within the General Fund. These statements show an equity transfer of the fund balance as of October 1, 1988 to the General Fund.

SAFETY EDUCATION AND TRAINING FUND

This fund was established by P.A. 24 of 1977, as amended, under the jurisdiction of the Department of Labor. The act imposes an annual levy on each insurance carrier licensed to do workers' disability compensation business in the State, on the State Accident Fund, and on each self-insured employer. The act also provides for deposit of these assessments in the Safety Education and Training Fund to finance the Safety Education and Training Division of the Department of Labor. These funds are annually appropriated by the Legislature for operations. These expenditures occur in the General Fund and are financed by operating transfers from this fund.

STATE CONSTRUCTION CODE FUND

The State Construction Code Fund was created by P.A. 371 of 1980. Fees established by the Director of the Department of Labor, as approved by the Construction Code Commission, for acts and services performed by the commission are deposited in the fund. The fees received for building permit applications and other funds collected under this act are appropriated by the Legislature for the operation of the Bureau of Construction Codes and related indirect overhead expenditures. These expenditures are recorded in the General Fund with an operating transfer being made from this fund to finance them.

2023673529

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MICHIGAN JUSTICE TRAINING FUND

The Michigan Justice Training Fund was created by P.A. 302 of 1982 to support the activities of the Michigan Justice Training Commission. The Commission distributes funds to governmental units, including the Michigan Department of State Police, to provide for criminal justice training of police officers. Revenues are derived by an assessment on certain civil infractions.

Beginning with this fiscal year, the activities of the fund are accounted for using restricted accounts within the General Fund. These statements show an equity transfer of the fund balance as of October 1, 1988 to the General Fund.

HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND

The Homeowner Construction Lien Recovery Fund was established by P.A. 497 of 1980 to allow contractors, subcontractors, suppliers, and laborers to collect payments for work done if they have not been paid despite filing a residential lien. The fund is self-sustaining and is financed by fees assessed on builders, electrical and plumbing contractors, and laborers. Expenditures are appropriated for and recorded in the General Fund with financing provided by operating transfers from the fund.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	SAFETY EDUCATION AND TRAINING FUND
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 71	$ 6
Equity in Common Cash	5,570	8,418
Amounts due from other funds	-	181
Amounts due from federal agencies	4,163	-
Amounts due from local units	-	-
Other current assets	286	172
Total Current Assets	10,091	8,779
Total Assets	$ 10,091	$ 8,779
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Warrants outstanding	$ 981	$ -
Accounts payable and other liabilities	6,428	-
Amounts due to other funds	612	-
Deferred revenue	2,068	-
Total Current Liabilities	10,091	-
Total Liabilities	10,091	-
Fund Balances:		
Unreserved	-	8,778
Total Fund Balances	-0-	8,778
Total Liabilities and Fund Balances	$ 10,091	$ 8,779

2023673528

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

ION ND	HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND	TOTALS SEPTEMBER 30, 1989	SEPTEMBER 30, 1988
			73
			$ 28,173
	1	115	350
	$ 2,941	$ 22,573	3,269
36	63	367	73
5,642	–	4,163	1,321
123	–	–	33,262
–	–	588	
128	3,006	27,808	$ 33,262
5,930			
$ 5,930	$ 3,006	$ 27,808	
			$ 1,131
		985	7,682
	–	$ 6,439	212
	1	612	1,071
	–	2,068	10,098
3	$ –	10,105	
8	1		10,098
–	–	10,105	
11	1		23,164
11	1	17,702	23,164
			$ 33,262
5,919	3,005	17,702	
5,919	3,005	$ 27,808	
$ 5,930	$ 3,006		

2023673529

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MOTOR VEHICLE ACCIDENT CLAIMS FUND	SAFETY EDUCATION AND TRAINING FUND
REVENUES			
From federal agencies	$ 125,119	$ -	$ -
From local agencies	1,463	-	-
From licenses and permits	-	-	-
Miscellaneous	183	-	3,866
Total Revenues	126,766	-	3,866
EXPENDITURES			
Current:			
General government	-	-	-
Labor, commerce, and regulatory	125,940	-	-
Debt service:			
Capital lease payments	1,905	-	-
Total Expenditures	127,845	-	-
Excess of Revenues over (under) Expenditures	(1,078)	-	3,866
OTHER FINANCING SOURCES (USES)			
Capital lease acquisitions	2,215	-	-
Operating transfers in	2,924	-	-
Operating transfers out	(4,060)	-	(3,312)
Total Other Financing Sources (Uses)	1,078	-	(3,312)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	-	554
Fund Balances - Beginning of fiscal year	-0-	1,832	8,224
Equity transfers to other funds	-	(1,832)	-
Fund Balances - End of fiscal year	$ -0-	$ -0-	$ 8,778

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE CONSTRUCTION CODE FUND	MICHIGAN JUSTICE TRAINING FUND	HOMEOWNER CONSTRUCTION LIEN RECOVERY FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ -	$ -	$ -	$ 125,119	$ 120,403
-	-	-	1,463	1,391
5,509	-	-	5,509	5,170
553	-	536	5,140	10,521
6,062	-	536	137,232	137,487
-	-	-	-	4,397
-	-	-	125,940	117,126
-	-	-	1,905	2,496
-	-	-	127,845	124,020
6,062	-	536	9,386	13,466
-	-	-	2,215	-
1	-	-	2,926	2,725
(5,830)	-	(469)	(13,673)	(15,046)
(5,828)	-	(469)	(8,532)	(12,320)
233	-	66	854	1,145
5,685	4,484	2,938	23,164	22,018
-	(4,484)	-	(6,316)	-
$ 5,919	$ -0-	$ 3,005	$ 17,702	$ 23,164

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMINISTRATION FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
From federal agencies	$ 111,000	$ 125,119	$ 14,119
From local agencies	4,192	1,463	(2,729)
From licenses and permits	-	-	-
Miscellaneous	307	183	(123)
Operating transfers in	-	2,924	2,924
Total Revenues and Other Sources	115,500	129,690	14,190
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT			
Labor	129,690	129,690	-
Licensing and Regulation	-	-	-
Total Expenditures, Operating Transfers Out, and Encumbrances	129,690	129,690	-
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ (14,190)	-	$ 14,190
Net Reconciling Items		-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		-	
FUND BALANCES (GAAP BASIS)			
Beginning balances		-0-	
Equity transfers to other funds		-	
Ending balances (GAAP Basis)		$ -0-	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

SAFETY EDUCATION AND TRAINING FUND			STATE CONSTRUCTION CODE FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	5,068	5,509	440
2,800	3,866	1,066	431	553	122
-	-	-	-	1	1
2,800	3,867	1,067	5,500	6,064	564
3,442	3,312	129	5,929	5,830	98
-	-	-	-	-	-
3,442	3,312	129	5,929	5,830	98
$ (642)	554	$ 1,197	$ (429)	233	$ 662
	-			-	
	554			233	
	8,224			5,685	
	-			-	
	$ 8,778			$ 5,919	

his schedule continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
SPECIAL REVENUE FUNDS - REGULATORY AND ADMINISTRATIVE RELATED (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	HOMEOWNER CONSTRUCTION LEIN RECOVERY FUND BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
From federal agencies	$ -	$ -	$ -
From local agencies	-	-	-
From licenses and permits	-	-	-
Miscellaneous	400	536	136
Operating transfers in	-	-	-
Total Revenues and Other Sources	400	536	136
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES - BY DEPARTMENT			
Labor	-	-	-
Licensing and Regulation	668	469	199
Total Expenditures, Operating Transfers Out, and Encumbrances	668	469	199
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ (268)	66	$ 335
Net Reconciling Items		-	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		66	
FUND BALANCES (GAAP BASIS)			
Beginning balances		2,938	
Equity transfers to other funds		-	
Ending balances (GAAP Basis)		$ 3,005	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

FUNDS NOT ANNUALLY BUDGETED

MOTOR VEHICLE ACCIDENT CLAIMS FUND	MICHIGAN JUSTICE TRAINING FUND	TOTALS		
ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ 111,000	$ 125,119	$ 14,119
-	-	4,192	1,463	(2,729)
-	-	5,068	5,509	440
-	-	3,938	5,140	1,201
-	-	-	2,926	2,926
-	-	124,200	140,158	15,958
-	-	139,063	138,834	228
-	-	668	469	199
-	-	139,731	139,304	427
-	-	$ (15,531)	854	$ 16,386
-	-		-	
-	-		854	
1,832	4,484		23,164	
(1,832)	(4,484)		(6,316)	
$ -0-	$ -0-		$ 17,702	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS - OTHER STATE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND

This fund, which is commonly referred to as the Budget Stabilization Fund, was created by P.A. 76 of 1977 to assist in stabilizing revenue and employment during periods of economic recession and high unemployment. In general, transfers are made into this fund from the General Fund during improving economic times and funds flow from this fund to the General Fund in times of declining economy. In the event that the fund balance at year end exceeds 25% of the actual General Fund general purpose revenue for the fiscal year, the law provides that the excess be rebated on the individual income tax returns filed in the following fiscal year.

Amounts transferred to the fund are limited to actual appropriations made annually by the Legislature. Such appropriations may be based on a formula that is dependent on the annual growth rate as defined by the statute. The balances in the fund are held in the State's common cash pool and interest earnings are credited as revenues of the fund. Transfers from the fund are based upon a formula which is dependent upon unemployment rates; however, under certain conditions the Legislature may override the formula and make limited appropriations from the fund for capital outlay projects.

MICHIGAN VETERANS' TRUST FUND

This fund was created by P.A. 9 of 1946 (First Extra Session) to finance programs to assist veterans and their beneficiaries. It is administered within the Department of Management and Budget and is governed by a six member board of trustees. Resources are provided by investment and common cash earnings and by transfers from the General Fund (described below). Expenditures and transfers out reflect grants to veterans and their widows or dependents and administrative costs at both the State and local level.

When the fund was created, investments of $50.0 million were transferred to it to be used to generate income for the fund. The amounts reserved for investment have, by statute, been periodically transferred back (in 1959 and 1976) to the General Fund. This is described in the "Interfund Commitments" note to the General Purpose Financial Statements.

SCHOOL AID FUND

This fund was created in 1955 by an amendment to the 1908 Constitution. Its continued existence was provided for by the 1963 Constitution. Its purpose is to furnish aid to school districts and provide financing for the Public School Employees' Retirement System. Payments of aid to school districts are based on a statutory formula.

The fund receives State revenues restricted to local school programs, including: the constitutional dedication of sixty percent of sales tax receipts; State Lottery Fund earnings; and portions of the cigarette, liquor, and industrial and commercial facilities taxes. Appropriated transfers from the General Fund are made to fund the difference between required payments and restricted financing sources.

VIETNAM VETERAN ERA BONUS FUND

This fund was established by P.A. 370 of 1974, as amended, to account for the proceeds of $205 million authorized general obligation bonds approved by the people in November, 1974, to provide a service bonus to veterans, or their beneficiaries, who served in the armed forces of the United States between January 1, 1961 and September 1, 1973. Applications for benefits under this act were to be filed or received before September 30, 1980.

The remaining balance in the fund was transferred to the General Fund as of October 1, 1988, where the fund is now recorded in restricted accounts.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS – OTHER STATE FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989

SCHOOL BOND LOAN FUND

The 1963 Constitution (Art. IX, Sec. 16) and P.A. 74 of 1955 authorized the issuance of State general obligation bonds to provide funds for loans to school districts. Loans are made for the payment of principal and interest on school district bonds under prescribed circumstances. The unreserved fund balance of this fund represents the amount available for making additional loans.

The proceeds of State bonds, as well as bond anticipation notes, are credited to the fund as an "Other Financing Source." When loans are made, operating transfers are recorded to the School Loan Bond Redemption Fund, the debt service fund which receives loan payments and services the State's bonds. The loans receivable are recorded as assets in the debt service fund.

CHILDREN'S TRUST FUND

The Children's Trust Fund was established by P.A. 249 of 1982 to support the State Child Abuse and Neglect Prevention Board. Established under P.A. 250 of 1982, the purpose of the board is to coordinate and fund activities for the prevention of child abuse and neglect in the State.

Revenues are derived from taxpayer donations made on the individual's income tax return, other gifts, interest earnings, and grants from the federal government. One half of the donations made on income tax returns are placed in a trust corpus. When the total assets of the fund exceed $20 million, the earnings credited to the fund will be available for disbursement. Until that time, the amount available for disbursement is limited to 1/2 of tax refund designations, all additional donations and grants, and interest earnings credited to the fund in previous years.

STATE BUILDING AUTHORITY ADVANCE FINANCING FUND

This fund was administratively established in 1987-88 to account for expenditures incurred for higher education related projects prior to the issuance of State Building Authority bonds. Appropriation acts provide temporary financing of such expenditures for legislatively authorized projects. Expenditures on behalf of the State Building Authority are recorded when incurred. At year-end, any deficit in the common cash pool is reclassified as a payable to the General Fund. In addition to advance expenditures, expenditures financed by General Fund, or other sources related to State Building Authority projects are recorded in this fund.

The State Building Authority in its statements does not recognize liabilities for these projects until bonds are issued; therefore, until that time, no receivables from the Authority are recognized. This results in the fund showing a year-end fund balance deficit. When the Authority issues bonds and reimburses the State, the Authority reimburses this fund by recording an operating transfer and the deficit eliminated.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS – OTHER STATE FUNDS
SEPTEMBER 30, 1989
(In Thousands)

	COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND	MICHIGAN VETERANS' TRUST FUND	SCHOOL AID FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ –	$ 2	$ –
Equity in Common Cash	409,596	4,634	–
Taxes, interest, and penalties receivable.	–	–	144,125
Amounts due from other funds	9,617	279	–
Amounts due from federal agencies	–	–	172
Amounts due from local units	–	326	15,083
Other current assets	–	836	–
Total Current Assets	419,213	6,079	159,381
Taxes, interest, and penalties receivable	–	–	4,257
Advances to other funds	–	1,781	–
Amounts due from local units	–	–	13,727
Investments	–	27,060	–
Total Assets	$ 419,213	$ 34,921	$ 177,367
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Liability to Common Cash	$ –	$ –	$ –
Warrants outstanding	–	43	367
Accounts payable and other liabilities	–	241	5,814
Amounts due to other funds	–	–	153,200
Total Current Liabilities	–	284	159,381
Long-Term Liabilities:			
Deferred revenue	–	–	4,257
Total Liabilities	–	284	163,639
Fund Balances:			
Reserves for:			
Budgetary carry-forwards:			
Encumbrances	–	–	–
Restricted revenues	–	1,570	–
Multi-year projects	–	–	–
Funds held as permanent investments	–	32,010	–
Noncurrent assets	–	–	13,727
Total Reserved	–	33,580	13,727
Unreserved	419,213	1,056	–
Total Fund Balances	419,213	34,636	13,727
Total Liabilities and Fund Balances	$ 419,213	$ 34,921	$ 177,367

2023673538

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

SCHOOL BOND LOAN FUND	CHILDREN'S TRUST FUND	STATE BUILDING AUTHORITY ADVANCE FINANCING FUND	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988
$ -	$ -	$ -	$ 2	$ 1
73	745	-	415,049	392,071
-	-	-	144,125	139,948
-	20	-	9,917	8,444
-	-	-	172	-
-	-	-	15,409	1,113
-	77	-	914	1,048
73	843	-	585,592	542,627
-	-	-	4,257	3,209
-	-	-	1,781	4,953
-	-	-	13,727	9,433
-	2,301	-	29,362	25,687
$ 73	$ 3,145	$ -0-	$ 634,721	$ 585,911
-	$ -	$ -	$ -	$ 137,125
-	-	-	411	917
-	54	4,605	10,715	3,586
-	-	35,283	188,483	4,098
-	55	39,889	199,610	145,729
-	-	-	4,257	3,209
-	55	39,889	203,868	148,938
-	4	-	4	7
-	-	-	1,570	841
-	-	-	-	11,863
-	2,968	-	34,978	34,607
-	-	-	13,727	9,433
-	2,972	-	50,280	56,753
73	117	(39,889)	380,572	380,219
73	3,090	(39,889)	430,852	436,972
$ 73	$ 3,145	$ -0-	$ 634,721	$ 585,911

2023673539

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS – OTHER STATE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND	MICHIGAN VETERANS' TRUST FUND	SCHOOL AID FUND	VIETNAM VETERAN ERA BONUS FUND
REVENUES				
Taxes	$ –	$ –	$ 1,681,651	$ –
From federal agencies	–	–	46,956	–
From local agencies	–	–	839	–
Miscellaneous	37,988	2,982	5,248	–
Total Revenues	37,988	2,982	1,734,696	–
EXPENDITURES				
Current:				
General government	–	4,401	–	–
Education	–	–	2,691,696	–
Total Expenditures	–	4,401	2,691,696	–
Excess of Revenues over (under) Expenditures	37,988	(1,419)	(956,999)	–
OTHER FINANCING SOURCES (USES)				
Proceeds from bond and bond anticipation note issues	–	–	–	–
Operating transfers in:				
From State Lottery Fund	–	–	483,961	–
From other funds	–	5,129	477,332	–
Total operating transfers in	–	5,129	961,294	–
Operating transfers out	(11,863)	(3,767)	–	–
Total Other Financing Sources (Uses)	(11,863)	1,361	961,294	–
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	26,125	(57)	4,294	–
Fund Balances – Beginning of fiscal year	393,088	34,694	9,433	1,320
Equity transfers to other funds	–	–	–	(1,320)
Fund Balances – End of fiscal year	$ 419,213	$ 34,636	$ 13,727	$ -0-

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

SCHOOL BOND LOAN FUND	CHILDREN'S TRUST FUND	STATE BUILDING AUTHORITY ADVANCE FINANCING FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ -	$ -	$ -	$ 1,681,651	$ 1,595,222
-	501	-	47,458	42,119
-	-	-	839	689
-	1,113	-	47,333	33,028
-	1,615	-	1,777,283	1,671,060
-	1,483	-	5,885	6,350
49	-	36,162	2,727,908	2,733,887
49	1,483	36,162	2,733,793	2,740,237
(49)	132	(36,162)	(956,510)	(1,069,176)
3,400	-	-	3,400	300
-	-	-	483,961	488,436
-	22	820	483,304	612,712
-	22	820	967,266	1,101,148
(3,307)	(16)	-	(18,955)	(26,613)
92	5	820	951,711	1,074,835
43	137	(35,341)	(4,798)	5,658
30	2,952	(4,547)	436,972	431,313
-	-	-	(1,320)	-
$ 73	$ 3,090	$ (39,889)	$ 430,852	$ 436,972

2022673541

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS – OTHER STATE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

Statutory/Budgetary Basis	COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
Taxes	$ –	$ –	$ –
From federal agencies	–	–	–
From local agencies	–	–	–
Miscellaneous	36,100	37,988	1,888
Operating transfers in	–	–	–
Total Revenues and Other Sources	36,100	37,988	1,888
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES – BY DEPARTMENT			
Management and Budget	11,863	11,863	–
Education	–	–	–
Total Expenditures, Operating Transfers Out, and Encumbrances	11,863	11,863	–
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ 24,236	26,125	$ 1,888
Reconciling Items:			
Encumbrances at September 30		–	
Funds not annually budgeted		–	
Net Reconciling Items		–	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		26,125	
FUND BALANCES (GAAP BASIS)			
Beginning balances		393,088	
Equity transfers to other funds		–	
Ending balances (GAAP Basis)		$ 419,213	

2023673542

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MICHIGAN VETERANS' TRUST FUND			SCHOOL AID FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 1,691,800	$ 1,681,651	$ (10,148)
-	-	-	51,000	46,956	(4,043)
-	-	-	800	839	39
2,000	2,982	982	-	5,248	5,248
9,100	5,129	(3,970)	984,700	961,294	(23,405)
11,100	8,111	(2,988)	2,728,300	2,695,990	(32,309)
9,787	8,169	1,617	-	-	-
-	-	-	2,690,812	2,691,696	(883)
9,787	8,169	1,617	2,690,812	2,691,696	(883)
1,312	(57)	$ (1,370)	$ 37,487	4,294	$ (33,192)
	-			-	
	-			-	
	-			-	
	(57)			4,294	
	34,694			9,433	
	-			-	
	$ 34,636			$ 13,727	

This schedule continued on next page.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – SPECIAL REVENUE FUNDS – OTHER STATE FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	CHILDREN'S TRUST FUND		
Statutory/Budgetary Basis	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES AND OTHER SOURCES			
Taxes	$ -	$ -	$ -
From federal agencies	336	501	165
From local agencies	-	-	-
Miscellaneous	863	1,113	250
Operating transfers in	-	22	22
Total Revenues and Other Sources	1,200	1,637	437
EXPENDITURES, OPERATING TRANSFERS OUT, AND ENCUMBRANCES – BY DEPARTMENT			
Management and Budget	2,140	1,504	636
Education	-	-	-
Total Expenditures, Operating Transfers Out, and Encumbrances	2,140	1,504	636
Revenues and Other Sources over (under) Expenditures, Encumbrances, and Other Uses (Statutory/budgetary basis)	$ (940)	132	$ 1,073
Reconciling Items:			
Encumbrances at September 30		4	
Funds not annually budgeted		-	
Net Reconciling Items		4	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses (GAAP Basis)		137	
FUND BALANCES (GAAP BASIS)			
Beginning balances		2,952	
Equity transfers to other funds		-	
Ending balances (GAAP Basis)		$ 3,090	

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

FUNDS NOT ANNUALLY BUDGETED			TOTALS		
VIETNAM VETERAN ERA BONUS FUND	SCHOOL BOND LOAN FUND	STATE BUILDING AUTHORITY ADVANCE FINANCING FUND			
ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -	$ 1,691,800	$ 1,681,651	$ (10,148)
-	-	-	51,336	47,458	(3,877)
-	-	-	800	839	39
-	-	-	38,963	47,333	8,370
-	-	-	993,800	966,446	(27,353)
-	-	-	2,776,700	2,743,729	(32,970)
-	-	-	23,791	21,537	2,254
-	-	-	2,690,812	2,691,696	(883)
-	-	-	2,714,604	2,713,234	1,370
-	-	-	$ 62,095	30,495	$ (31,600)
-	-	-		4	
-	43	(35,341)		(35,298)	
-	43	(35,341)		(35,294)	
-	43	(35,341)		(4,798)	
1,320	30	(4,547)		436,972	
(1,320)	-	-		(1,320)	
$ -0-	$ 73	$ (39,889)		$ 430,852	

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STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS - COMPONENT UNITS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

STATE BUILDING AUTHORITY

The State Building Authority was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition and renovation of buildings for use by the State or public institutions of higher education. Public Act 248 of 1988 also permits Authority bonding of state equipment. The five members of the Authority are appointees of the Governor.

The special revenue fund, which accounts for construction costs for higher education projects and certain equipment financing, reports bond proceeds as an "other financing source," investment revenue earned during construction as "miscellaneous revenue," and construction expenditures as grant expenditures. Operating transfers out reflect transfers to the debt service fund of proceeds dedicated for debt service, reimbursements to the State Building Authority Advance Financing Fund for expenditures incurred prior to bonding, and the transfer of assets remaining after a project's completion to the debt service fund.

MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY

Public Act 295 of 1969, as amended, authorized the creation of the Michigan Higher Education Facilities Authority for the purpose of assisting private nonprofit institutions of higher education in financing their facilities. The Authority consists of an eleven member commission, nine of whom are appointed by the Governor with the advice and consent of the Senate and two of whom are ex officio (the Superintendent of Public Instruction and Director of the Department of Management and Budget). Financing for capital improvements is provided by issuance of limited obligation revenue bonds, which are not recorded as liabilities of the Authority. The footnote to the General Purpose Financial Statements entitled "General Long-Term Obligations" explains these more fully.

MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY

The Michigan Family Farm Development Authority was created by P.A. 220 of 1982 to assist beginning farmers in financing the purchase of agricultural land and equipment. Members of the Authority are appointed by the Governor. Financing for the loans to beginning farmers is provided by issuance of limited obligation revenue bonds, which are not recorded as liabilities of the Authority because of their nature. The footnote to the General Purpose Financial Statements entitled "General Long-Term Obligations" explains these more fully. The Authority's administrative operations, which are reflected in these statements, are financed by loan application and issuance fees and subsidies from the General Fund as appropriated within the Department of Agriculture.

MACKINAC BRIDGE AUTHORITY

The Authority was created by P.A. 21 of 1950. Public Act 214 of 1952, as amended, empowered the Authority to construct and operate a bridge between the lower peninsula of Michigan and the upper peninsula. Financing for the operation and maintenance of the bridge is provided by fares and earnings on investments. State statutes require that the Authority continue charging bridge tolls and begin repaying State funds for all the subsidies provided in prior years. The Authority has not recorded a liability and the State funds have not recorded receivables for the subsidies because the reimbursements are contingent upon future net revenues and the repayment commitment is long-term and budgetary in nature.

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STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS – COMPONENT UNITS
SEPTEMBER 30, 1989
(In Thousands)

	STATE BUILDING AUTHORITY	MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY	MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY
ASSETS			
Current assets:			
Cash and cash equivalents	$ 35	$ –	$ 46
Amounts due from other funds	–	63	–
Amounts due from local units	–	–	–
Investments	26,926	–	–
Other current assets	397	4	–
Total Current Assets	27,358	68	46
Investments	–	–	–
Total Assets	$ 27,358	$ 68	$ 46
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and other liabilities	$ 4,219	$ –	$ –
Amounts due to other funds	3,595	–	–
Deferred revenue	–	18	–
Total Current Liabilities	7,815	18	–
Long-Term Liabilities:			
Deferred revenue	–	–	–
Total Liabilities	7,815	18	–
Fund Balances:			
Reserves for:			
Construction and debt service	19,543	–	–
Total Reserved	19,543	–	–
Unreserved	–	50	46
Total Fund Balances	19,543	50	46
Total Liabilities and Fund Balances	$ 27,358	$ 68	$ 46

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MACKINAC BRIDGE AUTHORITY	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988
$ 91	$ 173	$ 856
-	63	107
-	-	-
14,077	41,004	57,148
374	776	996
14,544	42,017	59,109
-	-	8,358
$ 14,544	$ 42,017	$ 67,467
$ 109	$ 4,329	$ 17,601
276	3,872	6,823
154	172	63
541	8,374	24,488
-	-	89
541	8,374	24,577
-	19,543	31,794
-	19,543	31,794
14,003	14,099	11,095
14,003	33,643	42,890
$ 14,544	$ 42,017	$ 67,467

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - COMPONENT UNITS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	STATE BUILDING AUTHORITY	MICHIGAN HIGHER EDUCATION FACILITIES AUTHORITY	MICHIGAN FAMILY FARM DEVELOPMENT AUTHORITY
REVENUES			
From services	$ -	$ 74	$ -
From licenses and permits	-	-	-
Miscellaneous	2,562	-	3
Total Revenues	2,562	74	3
EXPENDITURES			
Current:			
Education	20,207	74	-
Conservation, recreation, and agriculture	-	-	54
Transportation	-	-	-
Total Expenditures	20,207	74	54
Excess of Revenues over (under) Expenditures	(17,644)	-	(51)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	8,043	-	-
Operating transfers in	-	-	54
Operating transfers out	(2,649)	-	-
Total Other Financing Sources (Uses)	5,394	-	54
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(12,250)	-	3
Fund Balances - Beginning of fiscal year.	31,794	50	42
Fund Balances - End of fiscal year	$ 19,543	$ 50	$ 46

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MACKINAC BRIDGE AUTHORITY	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	SEPTEMBER 30, 1988
$ -	$ 74	$ 63
6,199	6,199	8,382
999	3,566	3,620
7,199	9,839	12,067
-	20,282	71,135
-	54	18
4,198	4,198	5,267
4,198	24,535	76,421
3,000	(14,696)	(64,353)
-	8,043	77,216
-	54	18
-	(2,649)	(6,234)
-	5,449	71,000
3,000	(9,246)	6,646
11,002	42,890	36,243
$ 14,003	$ 33,643	$ 42,890

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, to account for debt service on all State Trunkline Fund related bond issues. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Debt service requirements are funded by annual appropriations in the State Trunkline Fund.

WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND

Public Act 329 of 1966 established this fund to account for the retiring of bond issues of the Water Pollution Control Bond Fund. The Legislature appropriates funds from the General Fund to meet the bond principal and interest requirements and paying agent fees.

COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951, as amended, to account for debt service on all Comprehensive Transportation Fund related bond issues. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. Debt service requirements are funded by annual appropriations in the Comprehensive Transportation Fund.

PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 108 of 1969 and serviced bond issues of the Public Recreation Bond Fund. Financing of debt retirement, interest expense, and paying agent fees was provided by annual legislative appropriation from the General Fund. Since the final debt service payments on the bonds were made during this fiscal year, the fund no longer exists as of September 30, 1989.

VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND

Created by P.A. 370 of 1974, the purpose of this fund is to account for the debt service of general obligation bonds which were issued to finance bonuses paid to veterans or their beneficiaries. Financing is provided by an annual appropriation in the General Fund.

SCHOOL LOAN BOND REDEMPTION FUND

Public Act 74 of 1955 established this fund to account for debt service on general obligation bonds issued to finance loans to local school districts. The School Bond Loan Fund, a special revenue fund, receives the State bond proceeds and makes the loans. Because loan repayments accrue first to this debt service fund, an operating transfer is recorded to this fund when loans are made and the receivables are recorded as debt service fund assets.

The unreserved fund balance of this fund represents amounts currently available for debt service. Because there are no specific timetables for repayment, the entire balance of loans and accrued interest receivable is classified as a long-term asset. Fund balance is fully reserved for the amount of principal receivable. Recognition of interest income is deferred because it is not available, which results in the amount recorded as long-term deferred revenue on the balance sheet. A statutory formula prescribes that loan repayments are first used to meet debt service requirements. If loan repayments exceed statutorily prescribed debt service requirements, the excess is transferred to the School Bond Loan Fund where it can be used to finance new loans. When debt service requirements exceed the amounts provided by loan repayments, the excess is funded by a transfer from the General Fund.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF DEBT SERVICE FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989

STATE PARK REVENUE BOND FUND

This fund was created pursuant to P.A. 149 of 1960 which initiated a State park improvement program by authorizing the Department of Natural Resources to issue up to $10 million of revenue dedicated bonds to finance land acquisition, construction, and improvement of State parks. Public Act 286 of 1967 increased the authorized amount of such bonds to $20 million.

Public Act 149 of 1960, as amended, also provides that park permit fees for motor vehicle entry into certain State parks be deposited with the State Treasurer who is designated as fiscal agent. Such proceeds are to be allocated in the following order of priority: debt service requirements, fiscal agent expenses, bond reserve, operations and park improvements. Operating transfers out of this fund consist mainly of amounts transferred to the State Park Improvement Fund to finance park operations and improvements as appropriated by the Legislature.

STATE BUILDING AUTHORITY

The State Building Authority was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition or renovation of buildings for use by the State or public institutions of higher education. Public Act 248 of 1988 also permits Authority bonding of state equipment. Bond proceeds used to exercise purchase options on leased equipment of governmental funds were recorded in this fund.

Each project of the Authority is financed by specific callable bonds, the proceeds of which can only be used for construction and debt service on that project. For completed projects, the resources to finance bond interest and redemption are provided by operating transfers from the General Fund and from investments and earnings of this fund. During construction, debt service requirements are financed by a portion of the bond proceeds which are dedicated for that purpose. When a project is completed, the remaining net assets are transferred to this fund where they are invested and used for debt service. Excess balances related to a particular bond series remaining in the fund after the final payment on the bond series are transferred to the General Fund.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
SEPTEMBER 30, 1989
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND	WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ -	$ -	$ -
Equity in Common Cash	20	-	13
Amounts due from other funds	1	-	-
Investments	-	-	-
Other current assets	-	-	-
Total Current Assets	21	-	13
Amounts due from local units	-	-	-
Investments	-	-	-
Other noncurrent assets	-	-	-
Total Assets	$ 21	$ -0-	$ 13
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Amounts due to other funds	$ -	$ -	$ -
Total Current Liabilities	-	-	-
Long Term Liabilities:			
Deferred revenue	-	-	-
Total Liabilities	-	-	-
Fund Balances:			
Reserves for:			
Budgetary carry-forwards:			
Restricted revenues	-	-	-
Noncurrent assets	-	-	-
Total Reserved	-	-	-
Unreserved	21	-	13
Total Fund Balances	21	-0-	13
Total Liabilities and Fund Balances	$ 21	$ -0-	$ 13

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND	SCHOOL LOAN BOND REDEMPTION FUND	STATE PARK REVENUE BOND FUND	STATE BUILDING AUTHORITY	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988
$ -	$ -	$ -	$ 2,027	$ 2,027	$ 1,396
-	5,444	-	-	5,477	3,973
-	-	2	7,733	7,737	2,009
-	-	1,413	128,507	129,920	147,710
-	-	24	5,021	5,045	4,096
-	5,444	1,440	143,290	150,210	159,186
-	123,462	-	-	123,462	121,134
-	-	1,504	70,673	72,177	70,357
-	-	109	-	109	-
$ -0-	$ 128,907	$ 3,054	$ 213,963	$ 345,960	$ 350,677
$ -	$ -	$ 7	$ 177	$ 185	$ -
-	-	7	177	185	-
-	49,028	-	-	49,028	46,693
-	49,028	7	177	49,213	46,693
-	-	247	-	247	393
-	74,434	-	-	74,434	74,440
-	74,434	247	-	74,681	74,833
-	5,444	2,799	213,785	222,064	229,150
-0-	79,878	3,047	213,785	296,746	303,983
$ -0-	$ 128,907	$ 3,054	$ 213,963	$ 345,960	$ 350,677

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND	WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND	PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND
REVENUES				
From licenses and permits	$ -	$ -	$ -	$ -
Miscellaneous	3	-	4	-
Total Revenues	3	-	4	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Debt Service:				
Bond principal retirement	10,260	13,000	6,115	1,000
Bond interest and fiscal charges	13,423	5,283	14,797	24
Capital lease payments	-	-	-	-
Total Expenditures	23,683	18,283	20,912	1,024
Excess of Revenues over (under) Expenditures	(23,679)	(18,283)	(20,908)	(1,024)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issues	-	-	-	-
Proceeds from refunding bond issue	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Operating transfers in	23,683	18,283	20,818	1,024
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	23,683	18,283	20,818	1,024
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	3	-	(89)	-
Fund Balances - Beginning of fiscal year - as previously reported	18	-0-	102	-0-
Effect of accounting change	-	-	-	-
Fund Balances - Beginning of fiscal year - restated	18	-0-	102	-0-
Fund Balances - End of fiscal year	$ 21	$ -0-	$ 13	$ -0-

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND	SCHOOL LOAN BOND REDEMPTION FUND	STATE PARK REVENUE BOND FUND	STATE BUILDING AUTHORITY	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ -	$ -	$ 5,397	$ -	$ 5,397	$ 5,900
-	6,568	201	17,661	24,439	21,019
-	6,568	5,598	17,661	29,837	26,919
-	-	-	257	257	158
5,000	7,500	965	91,028	134,868	78,889
444	890	479	58,287	93,631	92,527
-	-	-	10,532	10,532	-
5,444	8,390	1,444	160,105	239,289	171,575
(5,444)	(1,822)	4,154	(142,443)	(209,451)	(144,655)
-	-	-	10,532	10,532	-
-	-	-	-	-	104,376
-	-	-	-	-	(104,174)
5,444	3,307	-	123,590	196,152	176,497
-	-	(4,469)	-	(4,469)	(4,607)
5,444	3,307	(4,469)	134,122	202,215	172,092
-	1,484	(315)	(8,320)	(7,236)	27,436
-0-	78,393	3,362	222,106	303,983	201,207
-	-	-	-	-	75,339
-0-	78,393	3,362	222,106	303,983	276,547
$ -0-	$ 79,878	$ 3,047	$ 213,785	$ 296,746	$ 303,983

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STATE OF MICHIGAN
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

PUBLIC RECREATION BOND FUND

This fund was established by P.A. 108 of 1969 to account for the proceeds of $100.0 million general obligation public recreation bonds approved by the people in November, 1968. This approval was pursuant to Section 15, Article IX, of the 1963 Constitution and P.A. 257 of 1968. Public Act 108 of 1969 also allocated $30.0 million for grants to local units for local community recreational projects and the balance of $70.0 million to the Department of Natural Resources to fund the State's recreation program.

An equity transfer was recorded at year-end to close-out the remaining balances in the fund to the General Fund.

RECREATION BOND FUND - STATE PROJECTS

This fund was established by P.A. 327 of 1988 to account for the proceeds of $70.0 million of general obligation bonds approved by the people in November, 1988 as part of a $140.0 million bond package for financing state and local public recreation projects. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 State Constitution. Public Act 329 of 1988 specifies that the proceeds of these bonds will be used to construct, expand, and develop recreational facilities at state parks. An initial bond sale of $8.5 million was made for these purposes in November 1989. This fund is administered by the Department of Natural Resources.

STATE BUILDING AUTHORITY

The State Building Authority was created pursuant to P.A. 183 of 1964, as amended, to issue bonds to finance the acquisition of buildings for use by the State or public institutions of higher education. Public Act 248 of 1988 also permits Authority bonding of State equipment. The five members of the Authority are appointees of the Governor.

This capital projects fund, which accounts for the construction of State projects, reports bond proceeds as an "Other financing source," investment revenue during construction as "miscellaneous revenue," and construction expenditures as "Capital outlay." Operating transfers out reflect transfers to the debt service fund of proceeds dedicated for debt service during construction, reimbursements to the State Building Authority Advance Financing Fund for expenditures incurred prior to bonding, and the transfer of net assets remaining after the completion of a project to the debt service fund. In the State's General Fixed Assets Account Group, accumulated expenditures for incomplete State projects are reflected as "Construction in progress" and completed State projects are recorded as "Buildings."

STATE BUILDING AUTHORITY ADVANCE FINANCING FUND

This fund was administratively established in 1987-88 to account for expenditures incurred for State projects prior to the issuance of State Building Authority bonds. Appropriation acts provide temporary financing of such expenditures for legislatively authorized projects. Expenditures on behalf of the State Building Authority are recorded when incurred. At year-end, any deficit in the common cash pool is reclassified as a payable to the General Fund. In addition to advance expenditures, expenditures financed by General Fund or other sources related to State Building Authority projects are recorded in this fund.

The State Building Authority in its statements does not recognize liabilities for these projects until bonds are issued; therefore, no receivable from the Authority is recognized in this fund prior to bond issuance. This results in the fund showing a year-end fund balance deficit. When the Authority issues its bonds and reimburses the State, the Authority will reimburse this fund by recording an operating transfer. The fund will then reimburse the General Fund and the deficit attributable to the bonded projects will be eliminated.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 1989
(In Thousands)

	RECREATION BOND FUND-STATE PROJECTS	STATE BUILDING AUTHORITY ADVANCE FINANCING FUND
ASSETS		
Current Assets:		
Cash and cash equivalents	$ -	$ -
Equity in Common Cash	-	-
Amounts due from other funds	-	8,806
Investments	-	-
Other current assets	-	-
Total Current Assets	-	8,806
Total Assets	$ -0-	$ 8,806
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Accounts payable and other liabilities	$ -	$ 11,175
Amounts due to other funds	117	97,193
Total Current Liabilities	117	108,368
Total Liabilities	117	108,368
Fund Balances:		
Reserves for:		
Budgetary carry-forwards:		
Multi-year projects	-	-
Construction and debt service	-	-
Total Reserved	-	-
Unreserved	(117)	(99,562)
Total Fund Balances	(117)	(99,562)
Total Liabilities and Fund Balances	$ -0-	$ 8,806

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE BUILDING AUTHORITY	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988
$ 15	$ 15	$ 397
-	-	103
-	8,806	79
46,831	46,831	60,608
385	385	45
47,232	56,038	61,234
$ 47,232	$ 56,038	$ 61,234
$ 20,278	$ 31,454	$ 21,589
10,341	107,652	62,210
30,620	139,107	83,799
30,620	139,107	83,799
-	-	100
16,612	16,612	39,995
16,612	16,612	40,096
-	(99,680)	(62,660)
16,612	(83,068)	(22,564)
$ 47,232	$ 56,038	$ 61,234

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	PUBLIC RECREATION BOND FUND	RECREATION BOND FUND-STATE PROJECTS	STATE BUILDING AUTHORITY ADVANCE FINANCING FUND
REVENUES			
From federal agencies	$ -	$ -	$ -
Miscellaneous	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Conservation, recreation, and agriculture	-	-	-
Capital outlay	-	-	132,773
Total Expenditures	-	-	132,773
Excess of Revenues over (under) Expenditures	-	-	(132,773)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issues	-	-	-
Operating transfers in	-	-	95,905
Operating transfers out	-	(117)	(31)
Total Other Financing Sources (Uses)	-	(117)	95,874
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	(117)	(36,899)
Fund Balances - Beginning of fiscal year	103	-0-	(62,663)
Equity transfers to other funds	(103)	-	-
Fund Balances - End of fiscal year	$ -0-	$ (117)	$ (99,562)

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE BUILDING AUTHORITY	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ - 4,500	$ - 4,500	$ 5 1,333
4,500	4,500	1,339
- 56,021	- 188,795	24 90,496
56,021	188,795	90,520
(51,521)	(184,294)	(89,181)
156,970 - (128,832)	156,970 95,905 (128,981)	82,402 - (21,757)
28,137	123,894	60,645
(23,383)	(60,400)	(28,536)
39,995 -	(22,564) (103)	5,971 -
$ 16,612	$ (83,068)	$ (22,564)

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
BY CLASSIFICATION
SEPTEMBER 30, 1989
(In Thousands)

	STATE FUNDS	COMPONENT UNITS	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988 (RESTATED)*
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 6,176	$ 10,538	$ 16,714	$ 10,410
Equity in Common Cash	109,796	-	109,796	84,500
Amounts due from other funds	1,420	419	1,840	1,488
Amounts due from federal agencies	-	9,452	9,452	8,291
Inventories	36,567	137	36,704	53,478
Investments	46,830	995,193	1,042,024	468,872
Other current assets	28,595	74,746	103,341	94,775
Total Current Assets	229,384	1,090,486	1,319,874	721,817
Advances to other funds	4,256	-	4,256	-
Mortgages and loans receivable	-	2,928,015	2,928,015	2,884,111
Investments	413,405	589,740	1,003,146	1,064,449
Property, plant, and equipment	26,800	3,235	30,036	30,212
Other noncurrent assets	-	16,727	16,727	7,778
Total Assets	$ 673,851	$ 4,628,206	$ 5,302,057	$ 4,708,369
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Liability to Common Cash	$ -	$ -	$ -	$ 3,557
Warrants outstanding	2,989	-	2,989	1,422
Accounts payable and other liabilities	131,445	31,640	163,085	151,624
Amounts due to other funds	210	2,545	2,756	3,029
Bonds and notes payable	-	118,028	118,028	111,216
Interest payable	-	83,796	83,796	84,131
Deferred revenue	3,833	14,021	17,854	24,765
Total Current Liabilities	138,479	250,032	388,511	379,748
Long-Term Liabilities:				
Advances from other funds	4,256	-	4,256	-
Prize awards payable	465,146	-	465,146	389,324
Deferred revenue	333	-	333	518
Bonds and notes payable	-	3,595,065	3,595,065	3,434,603
Unamortized premium (discount)	-	(43,053)	(43,053)	(46,809)
Other long-term liabilities	9,456	450,630	460,086	169,953
Total Liabilities	617,673	4,252,675	4,870,348	4,327,339
Fund Equity:				
Contributed Capital:				
From other funds	4,259	1,500	5,759	3,870
From other governmental units	-	16	16	16
Total Contributed Capital	4,259	1,516	5,775	3,886
Retained Earnings:				
Reserved	-	201,712	201,712	199,428
Unreserved	51,918	172,302	224,220	177,714
Total Retained Earnings	51,918	374,014	425,933	377,142
Total Fund Equity	56,177	375,531	431,708	381,029
Total Liabilities and Fund Equity	$ 673,851	$ 4,628,206	$ 5,302,057	$ 4,708,369

*The prior year column was restated to reflect the change in fund classification for the Michigan Education Trust. The column was also restated to reflect the change in accounting for Michigan State Hospital Finance Authority defeased bonds.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

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STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
BY CLASSIFICATION
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

			TOTALS	
			FISCAL YEARS ENDED	
	STATE FUNDS	COMPONENT UNITS	SEPTEMBER 30, 1989	SEPTEMBER 30, 1988 (RESTATED)*
OPERATING REVENUES:				
Operating revenues	$ 1,601,709	$ 21,205	$ 1,622,915	$ 1,654,431
Interest income	5,027	281,402	286,430	270,955
Investment revenue (net)	37,599	74,438	112,037	93,278
Miscellaneous	-	39,499	39,499	41,739
Total Operating Revenues	1,644,336	416,546	2,060,883	2,060,405
OPERATING EXPENSES:				
Salaries, wages, and other administrative	174,616	34,683	209,300	203,410
Interest expense	-	289,507	289,507	294,755
Depreciation	3,443	171	3,615	6,743
Purchases for resale	328,671	141	328,812	326,048
Lottery prize awards	558,098	-	558,098	587,091
Other operating expenses	35,861	46,992	82,853	82,962
Total Operating Expenses	1,100,690	371,497	1,472,188	1,501,012
Operating Income (Loss)	543,645	45,048	588,694	559,393
NONOPERATING REVENUES (EXPENSES):				
Specific tax on spirits	7,228	-	7,228	7,180
Federal grant revenue	-	28,667	28,667	25,409
Interest revenue	131	136	268	114
Other nonoperating revenues	98	1,398	1,496	95
Grant expense	-	(38,689)	(38,689)	(36,884)
Interest expense	(728)	(35)	(764)	(576)
Development stage expenses	(2,692)	-	(2,692)	(1,208)
Other nonoperating expenses	(426)	(7,535)	(7,961)	(16,954)
Total Nonoperating Revenues (Expenses)	3,612	(16,058)	(12,446)	(22,824)
Income (Loss) Before Operating Transfers	547,258	28,990	576,248	536,569
OPERATING TRANSFERS:				
Operating transfers in	1,330	23,665	24,995	26,268
Operating transfers out	(552,453)	-	(552,453)	(553,851)
Total Operating Transfers In (Out)	(551,123)	23,665	(527,458)	(527,582)
Net Income (Loss)	(3,865)	52,655	48,790	8,986
Retained Earnings - Beginning of fiscal year - as previously reported	55,783	322,302	378,086	371,187
Effect of accounting change	-	(943)	(943)	(3,030)
Retained Earnings - Beginning of fiscal year - restated	55,783	321,359	377,142	368,156
Retained Earnings - End of fiscal year	$ 51,918	$ 374,014	$ 425,933	$ 377,142

*The prior year column was restated to reflect the change in fund classification for the Michigan Education Trust. The column was also restated to reflect the change in accounting for Michigan State Hospital Finance Authority defeased bonds.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
BY CLASSIFICATION
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	STATE FUNDS	COMPONENT UNITS	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	SEPTEMBER 30, 1988 (RESTATED)*
SOURCES OF FUNDS:				
From operations:				
Net income (loss)	$ (3,865)	$ 52,655	$ 48,790	$ 8,986
Items not requiring (providing) working capital:				
Depreciation	3,443	171	3,615	6,743
Compensated absences - long-term portion	366	408	775	(174)
Change in long-term prize awards	82,028	-	82,028	110,291
Provision for losses on loans	-	1,893	1,893	5,628
Amortization of deferred items (net)	(1,559)	23,060	21,500	17,583
Loss (gain) on disposal of fixed assets	232	-	232	2
Working Capital Provided (Used) from Operations	80,645	78,188	158,834	149,062
From other sources:				
Proceeds from bonds and notes sold	-	595,078	595,078	161,285
Principal repayments on loans	-	415,707	415,707	172,080
Increase in long-term deferred revenues	-	-	-	114
Decrease in noncurrent investments (net)	44,703	189,134	233,838	61,557
Increase in long-term lease obligations	85	-	85	(182)
Increase in advances and other long-term liabilities	4,503	289,026	293,529	24,944
Contributed capital additions	1,888	-	1,888	855
Total Sources (Uses) of Funds	$ 131,827	$ 1,567,134	$ 1,698,961	$ 569,716
APPLICATION OF FUNDS:				
Increases in advances to other funds	$ 4,256	$ -	$ 4,256	$ -
Increase in noncurrent investments (net)	88,861	49,907	138,768	128,764
Loans issued/purchased	-	458,433	458,433	184,173
Decrease in long-term bonds and notes payable	-	456,392	456,392	218,597
Decrease in long-term prize awards payable	38,413	-	38,413	31,699
Increase in other noncurrent assets	-	9,546	9,546	3,743
Additions to fixed assets	3,285	387	3,672	1,991
Decrease in long-term deferred revenues	184	-	184	76
Reduction in long-term lease obligations	-	-	-	24
Decrease in other long-term liabilities	-	-	-	3,522
Net increase (decrease) in working capital	(3,173)	592,466	589,293	(2,876)
Total Application of Funds	$ 131,827	$ 1,567,134	$ 1,698,961	$ 569,716
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash and cash equivalents	$ (144)	$ 6,448	$ 6,304	$ (1,874)
Equity in/Liability to Common Cash	28,854	-	28,854	11,548
Amounts due from other funds	74	277	352	201
Amounts due from federal agencies	-	1,160	1,160	1,843
Inventories	(16,761)	(12)	(16,773)	16
Investments	5,146	568,005	573,151	2,099
Other current assets	9,814	(1,248)	8,565	(13,158)
Warrants outstanding	(1,567)	-	(1,567)	4,521
Accounts payable and other liabilities	(29,837)	18,376	(11,461)	(37,654)
Amounts due to other funds	(85)	359	273	(2,256)
Bonds and notes payable - current	-	(6,812)	(6,812)	37,120
Interest payable	-	334	334	518
Deferred revenue	1,334	5,577	6,911	(5,803)
Net Increase (Decrease) in Working Capital	$ (3,173)	$ 592,466	$ 589,293	$ (2,876)

*The prior year column was restated to reflect the change in fund classification for the Michigan Education Trust. The column was also restated to reflect the change in accounting for Michigan State Hospital Finance Authority defeased bonds.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF ENTERPRISE FUNDS
STATE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

LIQUOR PURCHASE REVOLVING FUND

The Liquor Purchase Revolving Fund was authorized by P.A. 259 of 1941. The Department of Commerce, Liquor Control Commission is primarily responsible for the fund. Under State monopoly, liquor is sold at retail or wholesale at State liquor stores and through specially designated distributors. The fund accounts for the sales of and the replenishing and transportation of the liquor stock of the various State liquor stores. Administrative, warehousing, and merchandising costs are appropriated in the fund. At the end of each fiscal year, the "net income" of the fund is transferred to the General Fund in accordance with P.A. 431 of 1984. Operating transfers out also includes $4 million in transfers to the Michigan State Housing Development Authority in accordance with P.A. 305 of 1988.

The advance to other funds on the balance sheet is receivable from other enterprise funds. It was recorded in an amount equal to the other funds' end of year negative balances in the State's common cash pool.

STATE LOTTERY FUND

Public Act 239 of 1972 established the State Lottery Fund and created a Bureau of State Lottery under authority of Section 4 of Article V of the State Constitution. This authority expired on August 1, 1974, at which time the Bureau became an organizational entity in the Department of Management and Budget. Public Act 239 of 1972 requires that, as nearly as practicable, 45% of gross ticket sales be allocated for prize awards. Net income of the fund related to lottery operations is transferred to the School Aid Fund and net income related to bingo and charity games regulation is transferred to the General Fund.

Revenues and related expenses are recognized in the period during which the related drawings are held. Deferred prize awards are recorded as expenses and liabilities at their discounted present value. The State Treasurer invests funds equivalent to the discounted value of the installment payments and the Lottery Fund is credited with the interest earnings.

LOW-LEVEL RADIOACTIVE WASTE AUTHORITY

The Low-Level Radioactive Waste Authority was established by P.A. 204 of 1987 to provide a regional low-level radioactive waste disposal facility, located in Michigan, to serve the needs of seven midwestern states. Currently in developmental stage, the program is being financed by a loan from the seven-state compact, as well as grants from the State. The loan is to be repaid from operating revenues at such time as the facility becomes operational.

The Authority is a legally autonomous agency within the Department of Management and Budget. It is statutorially authorized to issue revenue bonds payable solely from the operation of a facility; however, at this point there are no definite plans to do so. The Authority has issued its own separately audited financial statements following the accounting principles which apply to development state enterprises. The retained earnings deficit reflects losses sustained in the development stage, with recovery of these to occur from future operating revenues.

MICHIGAN STATE FAIR REVOLVING FUND

This fund was created by P.A. 224 of 1962, as amended. It is under the jurisdiction of the Department of Natural Resources, which is responsible for the management of the Michigan State Fair and fairgrounds in Detroit. Fund revenues are derived from the operation of the annual State Fair and other exhibits or events, leases, rentals or other charges for use of the buildings and grounds scheduled during the year. Administrative costs are appropriated in the fund. The net income of the fund is transferred to the General Fund as required by P.A. 431 of 1984. The advance from other funds on the balance sheet is payable to the Liquor Purchase Revolving Fund. It was recorded in an amount equal to this fund's end of year negative balance in the State's common cash pool.

DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND

Public Act 107 of 1979 provided for creation of a fund to account for the revenues and costs incurred in the publication of the department's magazine, publications, and related materials. Direct administrative costs are appropriated and recorded in the fund. Operating transfers out are made to the General Fund to reimburse overhead costs which the General Fund incurs on behalf of this fund. The advance from other funds on the balance sheet is payable to the Liquor Purchase Revolving Fund. It was recorded in an amount equal to this fund's end of year negative balance in the State's common cash pool.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
STATE FUNDS
SEPTEMBER 30, 1989
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	STATE LOTTERY FUND	LOW-LEVEL RADIOACTIVE WASTE AUTHORITY
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1,939	$ 4,000	$ -
Equity in Common Cash	50,433	59,363	-
Amounts due from other funds	-	1,404	15
Inventories	36,004	174	-
Investments	-	46,830	-
Other current assets	738	27,564	-
Total Current Assets	89,115	139,337	15
Advances to other funds	4,256	-	-
Investments	-	413,405	-
Property, plant, and equipment:			
Land	98	-	-
Buildings and equipment	13,788	3,349	137
Allowance for depreciation	(7,569)	(1,885)	(27)
Construction in progress	-	-	-
Total property, plant, and equipment	6,317	1,463	110
Total Assets	$ 99,689	$ 554,207	$ 126
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Liability to Common Cash	$ -	$ -	$ -
Warrants outstanding	1,102	1,612	9
Accounts payable and other liabilities	52,829	77,261	337
Amounts due to other funds	58	20	2
Deferred revenue	4	3,103	-
Total Current Liabilities	53,993	81,998	349
Long-Term Liabilities:			
Advances from other funds	-	-	-
Prize awards payable	-	465,146	-
Deferred revenue	-	-	-
Other long-term liabilities	4,520	1,246	3,403
Total Liabilities	58,514	548,392	3,753
Fund Equity:			
Contributed capital - from other funds	-	-	-
Retained earnings - unreserved	41,175	5,815	(3,627)
Total Fund Equity	41,175	5,815	(3,627)
Total Liabilities and Fund Equity	$ 99,689	$ 554,207	$ 126

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988
$ 224	$ 11	$ 6,176	$ 6,320
-	-	109,796	84,500
-	-	1,420	1,345
-	388	36,567	53,329
-	-	46,830	41,684
126	165	28,595	18,781
351	566	229,387	205,962
-	-	4,256	-
-	-	413,405	335,481
9,479	-	9,577	7,895
18,691	125	36,091	52,389
(9,338)	(125)	(18,944)	(33,111)
76	-	76	17
18,909	-	26,800	27,191
$ 19,261	$ 566	$ 673,851	$ 568,635
$ -	$ -	$ -	$ 3,557
262	3	2,989	1,422
906	110	131,445	101,607
120	9	210	125
89	635	3,833	5,167
1,378	758	138,479	111,880
3,791	465	4,256	-
-	-	465,146	389,324
76	257	333	518
192	93	9,456	8,757
5,439	1,574	617,673	510,481
4,259	-	4,259	2,370
9,562	(1,008)	51,918	55,783
13,821	(1,008)	56,177	58,154
$ 19,261	$ 566	$ 673,851	$ 568,635

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
STATE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	STATE LOTTERY FUND	LOW-LEVEL RADIOACTIVE WASTE AUTHORITY
OPERATING REVENUES:			
Operating revenues	$ 418,436	$ 1,178,104	$ -
Interest income	-	5,027	-
Investment revenue (net)	-	37,599	-
Total Operating Revenues	418,436	1,220,731	-
OPERATING EXPENSES:			
Salaries, wages, and other administrative	28,964	139,864	-
Depreciation	901	1,939	18
Purchases for resale	327,874	-	-
Lottery prize awards	-	558,098	-
Other operating expenses:			
Amortization of prize award obligation discount	-	35,861	-
Total other operating expenses	-	35,861	-
Total Operating Expenses	357,740	735,764	18
Operating Income (Loss)	60,695	484,967	(18)
NONOPERATING REVENUES (EXPENSES):			
Specific tax on spirits	7,228	-	-
Interest revenue	-	-	131
Other nonoperating revenues	98	-	-
Interest expense	(294)	-	-
Development stage expenses	-	-	(2,692)
Other nonoperating expenses	(370)	-	-
Total Nonoperating Revenues (Expenses)	6,662	-	(2,560)
Income (Loss) Before Operating Transfers	67,357	484,967	(2,578)
OPERATING TRANSFERS:			
Operating transfers in	7	2	140
Operating transfers out:			
To School Aid Fund	-	(483,961)	-
To other funds	(67,365)	(1,008)	(56)
Total operating transfers out	(67,365)	(484,969)	(56)
Total Operating Transfers In (Out)	(67,357)	(484,967)	84
Net Income (Loss)	-0-	-0-	(2,494)
Retained Earnings - Beginning of fiscal year - as previously reported	41,175	5,815	(1,132)
Effect of accounting change	-	-	-
Retained Earnings - Beginning of fiscal year - restated	41,175	5,815	(1,132)
Retained Earnings - End of fiscal year	$ 41,175	$ 5,815	$ (3,627)

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ 3,614	$ 1,553	$ 1,601,709	$ 1,634,679
-	-	5,027	3,631
-	-	37,599	28,521
3,614	1,553	1,644,336	1,666,833
4,846	940	174,616	173,257
584	-	3,443	6,578
-	796	328,671	325,898
-	-	558,098	587,091
-	-	35,861	27,887
-	-	35,861	27,887
5,430	1,737	1,100,690	1,120,713
(1,815)	(183)	543,645	546,119
-	-	7,228	7,180
-	-	131	-
-	-	98	-
(411)	(22)	(728)	(538)
-	-	(2,692)	(1,208)
(55)	-	(426)	(1,138)
(467)	(22)	3,612	4,294
(2,282)	(206)	547,258	550,414
1,179	-	1,330	771
-	-	(483,961)	(488,436)
(46)	(15)	(68,491)	(65,415)
(46)	(15)	(552,453)	(553,851)
1,133	(15)	(551,123)	(553,080)
(1,149)	(221)	(3,865)	(2,666)
10,711	(787)	55,783	59,964
-	-	-	(1,514)
10,711	(787)	55,783	58,449
$ 9,562	$ (1,008)	$ 51,918	$ 55,783

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
STATE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	STATE LOTTERY FUND	LOW-LEVEL RADIOACTIVE WASTE AUTHORITY
SOURCES OF FUNDS:			
From operations:			
Net income (loss)	$ -0-	$ -0-	$ (2,494)
Items not requiring (providing) working capital:			
Depreciation	901	1,939	18
Compensated absences - long-term portion	29	244	21
Change in long-term prize awards	-	82,028	-
Amortization of deferred items (net)	-	(1,559)	-
Loss (gain) on disposal of fixed assets	5	170	-
Working Capital Provided (Used) from Operations	936	82,823	(2,454)
From other sources:			
Increase in long-term deferred revenues	-	-	-
Decrease in noncurrent investments (net)	-	44,703	-
Increase in long-term lease obligations	85	-	-
Increase in advances and other long-term liabilities	-	-	246
Contributed capital additions	-	-	-
Total Sources (Uses) of Funds	$ 1,021	$ 127,527	$ (2,208)
APPLICATION OF FUNDS:			
Increases in advances to other funds	$ 4,256	$ -	$ -
Increase in noncurrent investments (net)	-	88,861	-
Decrease in long-term prize awards payable	-	38,413	-
Additions to fixed assets	444	819	78
Decrease in long-term deferred revenues	-	-	-
Reduction in long-term lease obligations	-	-	-
Net increase (decrease) in working capital	(3,679)	(565)	(2,286)
Total Application of Funds	$ 1,021	$ 127,527	$ (2,208)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents	$ (366)	$ -	$ -
Equity in/Liability to Common Cash	33,983	(6,722)	(1,964)
Amounts due from other funds	(300)	382	(7)
Inventories	(16,696)	35	-
Investments	-	5,146	-
Other current assets	452	9,360	-
Warrants outstanding	(637)	(1,002)	(9)
Accounts payable and other liabilities	(20,106)	(9,007)	(302)
Amounts due to other funds	(31)	(14)	(2)
Deferred revenue	22	1,256	-
Net Increase (Decrease) in Working Capital	$ (3,679)	$ (565)	$ (2,286)

2023673572

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ (1,149)	$ (221)	$ (3,865)	$ (2,666)
584	-	3,443	6,578
65	5	366	(226)
-	-	82,028	110,291
-	-	(1,559)	(604)
55	-	232	2
(443)	(216)	80,645	113,375
-	-	-	114
-	-	44,703	42,184
-	-	85	(182)
3,791	465	4,503	3,080
1,888	-	1,888	855
$ 5,237	$ 249	$ 131,827	$ 159,427
$ -	$ -	$ 4,256	$ -
-	-	88,861	104,462
-	-	38,413	31,699
1,943	-	3,285	1,939
38	146	184	76
-	-	-	24
3,255	102	(3,173)	21,225
$ 5,237	$ 249	$ 131,827	$ 159,427
$ 210	$ 11	$ (144)	$ 133
3,372	185	28,854	11,548
-	-	74	646
-	(100)	(16,761)	14
-	-	5,146	14,282
(8)	9	9,814	10,288
66	15	(1,567)	4,521
(353)	(68)	(29,837)	(18,299)
(30)	(6)	(85)	44
-	56	1,334	(1,953)
$ 3,255	$ 102	$ (3,173)	$ 21,225

2023673573

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF ENTERPRISE FUNDS
COMPONENT UNITS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY

The Authority was organized under P.A. 38 of 1969, as amended, to lend money to nonprofit, nonpublic hospitals for capital improvements or debt refinancing. The Act also empowers the Authority to sell bonds and to enter into loan and other agreements to obtain the necessary funds for such loans. The Authority is comprised of seven members including a chairperson and four public members appointed by the Governor with the advice and consent of the Senate, and two members ex officio (the State Treasurer and the Director of the Department of Public Health). The Authority has a June 30 fiscal year-end. As explained more fully in the notes to the general purpose financial statements, there was an accounting change made this year with respect to how defeased bonds are reported.

MICHIGAN EDUCATION TRUST

The Michigan Education Trust (MET) operates a tuition guarantee program. A purchaser enters into a contract with MET which provides that in return for a specified actuarially determined payment, MET will guarantee a Michigan child's undergraduate tuition at any Michigan public college or university. The amount which the purchaser is required to pay is based on several factors. Among these are today's tuition costs, the child's age and grade in school, anticipated investment earnings, and tuition rate increases.

The creation of MET as an entity within the Michigan Department of Treasury was authorized by P.A. 316 of 1986. The MET is governed by a nine-member board that consists of the State Treasurer and eight other individuals appointed by the Governor with the advice and consent of the Senate. Although MET is administratively located within the Michigan Department of Treasury, the act provides its assets are not to be considered assets of the State and are not to be loaned or otherwise transferred or used by the State for any purpose other than the purposes specified in the act. The act and contracts also specifically provide that the State is not liable if the MET becomes actuarially unsound. In that event, the contracts provide for refunds to participants.

As explained in the notes to the general purpose financial statements, in the prior fiscal year the MET was reported in the expendable trust fund group.

MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY

Public Act 222 of 1975, as amended, authorized the establishment of the Michigan Higher Education Student Loan Authority within the Department of Education, for the purpose of making loans to qualified students (or their parents) attending participating institutions of higher education. Under a guarantee agreement entered into with the Michigan Higher Education Assistance Authority, loans are guaranteed as to 100% of principal and interest. The Authority may issue revenue-dedicated debt in the principal amounts necessary to provide funds for achieving its purpose. The Authority is governed by the sixteen members of the Michigan Higher Education Assistance Authority who are appointed by the Governor with the consent of the Senate. The Superintendent of Public Instruction, an ex officio member, serves as chairman.

MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY

The Michigan Higher Education Assistance Authority was created by the Legislature through P.A. 77 of 1960, as amended. It is governed by a sixteen member board, each member being appointed by the Governor with the advice and consent of the Senate. The Authority is empowered to guarantee 100% of principal and interest on loans to persons attending eligible post-secondary educational institutions in Michigan. The federal government reimburses the Authority for losses on purchased loans at varying percentages depending upon rates of defaults. Revenues consist of recovery of loan losses, federal reimbursement, loan guarantee fees, and investment income.

2023673574

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF ENTERPRISE FUNDS (Continued)
COMPONENT UNITS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

MACKINAC ISLAND STATE PARK COMMISSION

The Mackinac Island State Park Commission was established by P.A. 355 of 1927. It consists of seven members who are appointed by the Governor with the advice and consent of the Senate. The Commission is responsible for the management of the Mackinac Island and Michilimackinac State Parks and has the authority to issue revenue-dedicated bonds. Operating transfers to the Commission are principally from the General Fund for park operations.

MICHIGAN STRATEGIC FUND

The Michigan Strategic Fund (MSF) was created by P.A. 270 of 1984 to help diversify the economy of the State and provide for economic development, primarily by assisting business enterprises to obtain additional sources of financing. The Capital Access and BIDCO investment programs help companies that have financing needs which cannot be satisfied by conventional bank lending. The Seed Capital program provides the early capital needed for business development before a company is ready for traditional venture capital, while the minority BIDCO program emphasizes investment in minority businesses.

The MSF is governed by a board of nine members, consisting of the Directors of the State Departments of Commerce and Treasury plus seven members appointed by the Governor with the advice and consent of the Senate. Administratively, the MSF is within the Department of Commerce. The MSF succeeded to the rights, properties, obligations and duties of the Michigan Job Development Authority and Michigan Economic Development Authority. Effective October 1, 1985, the fund balances/retained earnings of these authorities were transferred to the MSF.

The MSF is authorized to issue various types of limited obligation debt. The MSF also receives oil and gas related revenues through the Michigan Natural Resources Trust Fund (a special revenue fund).

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

The Michigan State Housing Development Authority was created by P.A. 346 of 1966, as amended, to issue notes and bonds to finance housing for sale or rental to families with low and moderate incomes and to finance home improvements. Members of the Authority are appointed by the Governor. The Authority has a June 30 fiscal year-end.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
COMPONENT UNITS
SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	MICHIGAN EDUCATION TRUST	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY	MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 3,400	$ 260	$ 5,977	$ -
Amounts due from other funds	-	14	-	-
Amounts due from federal agencies	-	-	663	8,789
Inventories	-	-	-	-
Investments	189,641	286,856	28,927	38,133
Other current assets:				
Mortgages and loans receivable	29,566	-	-	-
Interest receivable	5,624	-	1,870	566
Miscellaneous	-	50	49	1,324
Total other current assets	35,190	50	1,920	1,891
Total Current Assets	228,231	287,182	37,489	48,813
Mortgages and loans receivable	1,164,801	-	122,872	820
Investments	163,781	-	43,531	-
Property, plant, and equipment:				
Land	-	-	-	-
Buildings and equipment	-	-	-	-
Allowance for depreciation	-	-	-	-
Construction in progress	-	-	-	-
Total property, plant, and equipment	-	-	-	-
Other noncurrent assets	-	101	3,021	-
Total Assets	$ 1,556,813	$ 287,283	$ 206,914	$ 49,633
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable and other liabilities	$ 9,928	$ 8,430	$ 61	$ 5,379
Amounts due to other funds	-	700	61	322
Bonds and notes payable	29,566	-	2,600	-
Interest payable	32,575	-	3,503	-
Deferred revenue	-	-	-	12,400
Total Current Liabilities	72,069	9,130	6,226	18,101
Long-Term Liabilities:				
Bonds and notes payable	1,502,569	-	146,645	-
Unamortized premium (discount)	(25,192)	-	-	-
Other long-term liabilities:				
Tuition benefits	-	264,766	-	-
Escrow funds	-	-	-	-
Miscellaneous	-	63	84	498
Total other long-term liabilities	-	264,829	84	498
Total Liabilities	1,549,446	273,960	152,955	18,600
Fund Equity:				
Contributed Capital:				
From other funds	-	-	-	1,500
From other governmental units	-	-	-	16
Total Contributed Capital	-	-	-	1,516
Retained Earnings:				
Reserved	-	-	2,993	4,593
Unreserved	7,367	13,323	50,965	24,923
Total Retained Earnings	7,367	13,323	53,958	29,516
Total Fund Equity	7,367	13,323	53,958	31,033
Total Liabilities and Fund Equity	$ 1,556,813	$ 287,283	$ 206,914	$ 49,633

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MACKINAC ISLAND STATE PARK COMMISSION	MICHIGAN STRATEGIC FUND	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988 (RESTATED)*
$ 576	$ 58	$ 265	$ 10,538	$ 4,089
51	-	353	419	142
-	-	-	9,452	8,291
137	-	-	137	149
100	13,577	437,958	995,193	427,188
-	1,293	-	30,859	37,714
19	1,146	28,155	37,381	31,286
41	-	5,037	6,504	6,993
61	2,439	33,192	74,746	75,994
927	16,076	471,768	1,090,486	515,855
-	15,113	1,624,408	2,928,015	2,884,111
1,381	84,611	296,435	589,740	728,967
225	-	-	225	225
4,581	-	-	4,581	4,361
(1,771)	-	-	(1,771)	(1,600)
200	-	-	200	33
3,235	-	-	3,235	3,020
89	9,152	4,362	16,727	7,778
$ 5,634	$ 124,954	$ 2,396,973	$ 4,628,206	$ 4,139,733
$ 50	$ 237	$ 7,552	$ 31,640	$ 50,016
48	1,067	345	2,545	2,904
37	1,995	83,830	118,028	111,216
2	204	47,511	83,796	84,131
-	-	1,621	14,021	19,598
139	3,505	140,859	250,032	267,867
388	14,805	1,930,658	3,595,065	3,434,603
-	-	(17,861)	(43,053)	(46,809)
-	-	-	264,766	-
-	-	181,474	181,474	158,438
-	2,226	1,518	4,390	2,757
-	2,226	182,992	450,630	161,195
528	20,536	2,236,648	4,252,675	3,816,857
-	-	-	1,500	1,500
-	-	-	16	16
-	-	-	1,516	1,516
209	81,224	112,692	201,712	199,428
4,896	23,193	47,633	172,302	121,930
5,106	104,417	160,325	374,014	321,359
5,106	104,417	160,325	375,531	322,875
$ 5,634	$ 124,954	$ 2,396,973	$ 4,628,206	$ 4,139,733

*The prior year column was restated to reflect the change in fund classification for the Michigan Education Trust. The column was also restated to reflect the change in accounting for Michigan State Hospital Finance Authority defeased bonds.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
COMPONENT UNITS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	MICHIGAN EDUCATION TRUST	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY	MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY
OPERATING REVENUES:				
Operating revenues	$ -	$ -	$ -	$ 19,177
Interest income	100,383	22,115	9,454	-
Investment revenue (net)	14,096	-	5,246	3,308
Miscellaneous:				
Federal revenues	-	-	3,333	26,477
Financing fees	-	-	542	-
Other	1,782	1,024	-	4
Total miscellaneous	1,782	1,024	3,876	26,482
Total Operating Revenues	116,261	23,139	18,578	48,967
OPERATING EXPENSES:				
Salaries, wages, and other administrative	1,441	2,074	2,988	4,757
Interest expense	113,568	-	9,934	-
Depreciation	-	-	-	-
Purchases for resale	-	-	-	-
Other operating expenses:				
Loan loss expense	-	-	-	27,079
Amortization of deferred issue costs	-	-	266	-
Miscellaneous	185	-	291	11,242
Total other operating expenses	185	-	557	38,321
Total Operating Expenses	115,194	2,074	13,480	43,079
Operating Income (Loss)	1,067	21,065	5,097	5,888
NONOPERATING REVENUES (EXPENSES):				
Federal grant revenue	-	-	-	-
Interest revenue	-	-	-	-
Other nonoperating revenues	-	322	-	920
Grant expense	-	-	-	-
Interest expense	-	-	-	-
Other nonoperating expenses	-	(7,121)	(414)	-
Total Nonoperating Revenues (Expenses)	-	(6,798)	(414)	920
Income (Loss) Before Operating Transfers	1,067	14,266	4,683	6,809
OPERATING TRANSFERS:				
Operating transfers in	-	-	-	-
Total Operating Transfers In (Out)	-	-	-	-
Net Income (Loss)	1,067	14,266	4,683	6,809
Retained Earnings - Beginning of fiscal year - as previously reported	6,300	-0-	49,275	22,707
Effect of accounting change	-	(943)	-	-
Retained Earnings - Beginning of fiscal year - restated	6,300	(943)	49,275	22,707
Retained Earnings - End of fiscal year	$ 7,367	$ 13,323	$ 53,958	$ 29,516

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MACKINAC ISLAND STATE PARK COMMISSION	MICHIGAN STRATEGIC FUND	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	SEPTEMBER 30, 1988 (RESTATED)*
$ 2,028	$ -	$ -	$ 21,205	$ 19,751
-	1,633	147,816	281,402	267,323
-	8,620	43,166	74,438	64,757
-	-	4,451	34,262	37,607
-	543	182	1,267	1,325
-	150	1,007	3,969	2,806
-	694	5,640	39,499	41,739
2,028	10,948	196,622	416,546	393,572
3,300	4,870	15,250	34,683	30,152
-	2,183	163,822	289,507	294,755
171	-	-	171	164
141	-	-	141	150
-	-	1,893	28,972	38,130
-	-	281	547	455
101	-	5,653	17,473	16,488
101	-	7,827	46,992	55,075
3,715	7,054	186,899	371,497	380,298
(1,686)	3,894	9,723	45,048	13,273
-	-	28,667	28,667	25,409
136	-	-	136	114
155	-	-	1,398	95
-	(10,022)	(28,667)	(38,689)	(36,884)
(35)	-	-	(35)	(38)
-	-	-	(7,535)	(15,815)
256	(10,022)	-	(16,058)	(27,118)
(1,430)	(6,128)	9,723	28,990	(13,845)
1,685	20,000	1,980	23,665	25,497
1,685	20,000	1,980	23,665	25,497
254	13,871	11,703	52,655	11,652
4,851	90,546	148,622	322,302	311,223
-	-	-	(943)	(1,516)
4,851	90,546	148,622	321,359	309,706
$ 5,106	$ 104,417	$ 160,325	$ 374,014	$ 321,359

*The prior year column was restated to reflect the change in fund classification for the Michigan Education Trust. The column was also restated to reflect the change in accounting for Michigan State Hospital Finance Authority defeased bonds.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
COMPONENT UNITS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN STATE HOSPITAL FINANCE AUTHORITY	MICHIGAN EDUCATION TRUST	MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY	MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY
SOURCES OF FUNDS:				
From operations:				
Net income (loss)	$ 1,067	$ 14,266	$ 4,683	$ 6,809
Items not requiring (providing) working capital:				
Depreciation	-	-	-	-
Compensated absences - long-term portion	-	-	-	16
Provision for losses on loans	-	-	-	-
Amortization of deferred items (net)	-	50	266	-
Working Capital Provided (Used) from Operations	1,067	14,317	4,949	6,825
From other sources:				
Proceeds from bonds and notes sold	242,998	-	150,000	-
Principal repayments on loans	276,779	-	65,998	7,717
Decrease in noncurrent investments (net)	142,925	-	-	14,859
Increase in other long-term liabilities	-	264,829	4	-
Total Sources (Uses) of Funds	$ 663,769	$ 279,146	$ 220,952	$ 29,401
APPLICATION OF FUNDS:				
Increase in noncurrent investments (net)	$ -	$ -	$ 43,531	$ -
Loans issued/purchased	288,039	-	59,168	7,717
Decrease in long-term bonds and notes payable	270,804	-	100,425	-
Increase in other noncurrent assets	-	-	3,151	-
Additions to fixed assets	-	-	-	-
Decrease in other long-term liabilities	-	-	-	-
Net increase (decrease) in working capital	104,926	279,146	14,675	21,684
Total Application of Funds	$ 663,769	$ 279,146	$ 220,952	$ 29,401
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash and cash equivalents	$ 1,726	$ 189	$ 5,196	$ -
Amounts due from other funds	-	(27)	(5)	-
Amounts due from federal agencies	-	-	(163)	1,323
Inventories	-	-	-	-
Investments	98,027	276,369	6,056	3,801
Other current assets	(5,293)	(807)	(25)	370
Accounts payable and other liabilities	2,001	3,122	(43)	14,063
Amounts due to other funds	-	300	(61)	38
Bonds and notes payable - current	6,413	-	4,825	-
Interest payable	2,052	-	(1,102)	-
Deferred revenue	-	-	-	2,087
Net Increase (Decrease) in Working Capital	$ 104,926	$ 279,146	$ 14,675	$ 21,684

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MACKINAC ISLAND STATE PARK COMMISSION	MICHIGAN STRATEGIC FUND	MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988 (RESTATED)*
$ 254	$ 13,871	$ 11,703	$ 52,655	$ 11,652
171	-	-	171	164
-	-	392	408	52
-	-	1,893	1,893	5,628
-	-	22,743	23,060	18,188
426	13,871	36,731	78,188	35,686
-	-	202,080	595,078	161,285
-	5,071	60,142	415,707	172,080
-	-	31,350	189,134	19,372
-	1,156	23,036	289,026	21,864
$ 426	$ 20,099	$ 353,339	$ 1,567,134	$ 410,288
$ 1,381	$ 4,993	$ -	$ 49,907	$ 24,302
-	5,798	97,711	458,433	184,173
37	1,995	83,131	456,392	218,597
89	5,209	1,096	9,546	3,743
387	-	-	387	52
-	-	-	-	3,522
(1,469)	2,102	171,401	592,466	(24,102)
$ 426	$ 20,099	$ 353,339	$ 1,567,134	$ 410,288
$ (590)	$ (203)	$ 131	$ 6,448	$ (2,007)
(2)	(39)	353	277	(445)
-	-	-	1,160	1,843
(12)	-	-	(12)	2
(851)	3,065	181,536	568,005	(12,182)
31	59	4,416	(1,248)	(23,446)
8	(237)	(538)	18,376	(19,354)
(48)	(707)	839	359	(2,300)
(5)	165	(18,210)	(6,812)	37,120
-	1	(616)	334	518
-	-	3,490	5,577	(3,850)
$ (1,469)	$ 2,102	$ 171,401	$ 592,466	$ (24,102)

*The prior year column was restated to reflect the change in fund classification for the Michigan Education Trust. The column was also restated to reflect the change in accounting for Michigan State Hospital Finance Authority defeased bonds.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

CORRECTIONAL INDUSTRIES REVOLVING FUND

This fund was created by P.A. 210 of 1935 and continued by P.A. 15 of 1968 to account for the financial transactions of a manufacturing and processing industry, employing inmates of the State's correctional institutions. Public Act 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax exempt organizations.

Public Act 205 of 1986 stipulates that the fund repay the General Fund for the cost of building and equipping prison factories included as part of new prison construction. The costs of buildings and equipment are to be repaid over 30 years and 10 years respectively.

FEDERAL SURPLUS REVOLVING FUND

The purpose of the fund was to account for the operations related to and the distribution of surplus federal property to eligible units of State and local agencies for a service charge. The fund was created by administrative decision. Beginning with this fiscal year, the activities and balances of the fund were merged into the Office Services Revolving Fund.

MOTOR TRANSPORT REVOLVING FUND

This fund was established by P.A. 260 of 1947 to provide automotive transportation for State agencies. Activities include purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short term usage. The Motor Transport Division vehicles are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are charged by Motor Transport Division on a monthly basis. The advance from other funds on the balance sheet represents a payable to the State Sponsored Group Insurance Fund that was recorded in an amount equal to the estimated long-term portion of this fund's negative balance in the State's common cash pool.

OFFICE SERVICES REVOLVING FUND

Created by P.A. 262 of 1952, this fund provides services in the following areas: reproduction, microfilm, mailing, and purchase and storage of paper, stationery, and office supplies. The cost of the services or supplies is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment. Beginning with this fiscal year, the Federal Surplus Revolving Fund was merged into this fund.

TELECOMMUNICATIONS REVOLVING FUND

This fund was created by administrative decision, the purpose of which is to provide telecommunication services to other State funds. Administrative costs are appropriated in the General Fund and financed by interfund transfer. The cost of providing services is charged to the user agencies on a monthly basis. Bonds and notes payable represent the financing of equipment by the State Building Authority.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF INTERNAL SERVICE FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989

STATE SPONSORED GROUP INSURANCE FUND

This fund was administratively established to reflect the financial transactions of the Department of Civil Service's insurance plans which provide state sponsored health, long-term disability, life, vision, and dental coverage for participating employees and retirees. The plans' funding methods range from those where the State is fully self-insured to those where an outside carrier assumes partial risk on a contracted basis.

For those programs where the State purchases full coverage (e.g., health maintenance organizations), premiums are recorded as revenues and expenses. For self-insured (vision, dental, and most health coverage) and partially self-insured (long-term disability and life) benefit programs, the State recognizes revenues, expenses, and liabilities (insurance "reserves") in accordance with accounting principles applicable to insurance accounting in the private sector. This results in the recognition of unearned premiums (deferred revenues), rather than retained earnings, when a program's assets exceed its liabilities. The advance to other funds on the balance sheet represents a receivable from the Motor Transport Revolving Fund that was recorded in an amount equal to the estimated long-term portion of that fund's negative balance in the State's common cash pool.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 1989
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 4	$ -	$ 1,194
Equity in Common Cash	9,444	-	215
Amounts due from other funds	-	-	-
Amounts due from federal agencies	20	1	-
Amounts due from local units	247	-	66
Inventories	12,750	603	6,523
Other current assets	71	224	237
Total Current Assets	22,538	829	8,237
Advances to other funds	-	-	-
Property, plant, and equipment:			
Buildings and equipment	26,013	96,979	7,654
Allowance for depreciation	(9,568)	(34,303)	(4,652)
Construction in progress	5,880	-	-
Total property, plant, and equipment	22,324	62,676	3,001
Other noncurrent assets	-	-	-
Total Assets	$ 44,863	$ 63,506	$ 11,239
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Liability to Common Cash	$ -	$ -	$ -
Warrants outstanding	127	238	273
Accounts payable and other liabilities	3,156	1,200	1,926
Amounts due to other funds	210	5,010	17
Bonds and notes payable	-	-	-
Deferred revenue	-	-	47
Total Current Liabilities	3,494	6,449	2,265
Long-Term Liabilities:			
Advances from other funds	11,015	30,477	-
Deferred revenue	-	-	-
Bonds and notes payable	-	-	-
Other long-term liabilities	1,110	417	1,364
Total Liabilities	15,619	37,344	3,629
Fund Equity:			
Contributed capital - from other funds	1,373	8,444	-
Retained earnings - unreserved	27,870	17,717	7,609
Total Fund Equity	29,243	26,162	7,609
Total Liabilities and Fund Equity	$ 44,863	$ 63,506	$ 11,239

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

TELE-COMMUNICATIONS REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988
$ -	$ 1	$ 1,200	$ 1,003
-	41,532	51,192	75,010
-	10,177	10,177	1,775
-	-	21	21
-	-	313	417
-	-	19,877	15,177
991	240	1,765	1,426
991	51,951	84,548	94,833
-	30,477	30,477	17,450
18,832	590	150,070	135,860
(5,716)	(333)	(54,574)	(48,530)
-	-	5,880	504
13,116	257	101,376	87,835
-	42,514	42,514	52,405
$ 14,107	$ 125,201	$ 258,917	$ 252,524
$ -	$ -	$ -	$ 11,152
26	228	894	1,255
3,102	59,532	68,918	60,390
559	2	5,800	210
252	-	252	-
115	26,799	26,962	41,411
4,056	86,563	102,828	114,419
-	-	41,492	22,876
372	-	372	487
306	-	306	-
8,096	29,967	40,955	35,628
12,831	116,530	185,956	173,412
-	-	9,818	9,818
1,275	8,670	63,142	69,293
1,275	8,670	72,961	79,111
$ 14,107	$ 125,201	$ 258,917	$ 252,524

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	MOTOR TRANSPORT REVOLVING FUND
OPERATING REVENUES	$ 29,480	$ -	$ 30,620
OPERATING EXPENSES:			
Salaries, wages, and other administrative	15,333	-	7,990
Depreciation	1,184	-	13,733
Purchases for resale	-	-	5,157
Purchases for prison industries	10,756	-	-
Payment of premiums and claims	-	-	2,009
Total Operating Expenses	27,274	-	28,891
Operating Income (Loss)	2,205	-	1,728
NONOPERATING REVENUES (EXPENSES):			
Other nonoperating revenues	10	-	380
Other nonoperating expense	(4)	-	(914)
Total Nonoperating Revenues (Expenses)	5	-	(533)
Income (Loss) Before Operating Transfers	2,211	-	1,194
OPERATING TRANSFERS:			
Operating transfers in	1	-	-
Operating transfers out	(186)	-	(1,018)
Total Operating Transfers In (Out)	(185)	-	(1,017)
Net Income (Loss)	2,025	-	176
Retained Earnings - Beginning of fiscal year - as previously reported	25,844	(443)	17,540
Effect of accounting change	-	-	-
Retained Earnings - Beginning of fiscal year - restated	25,844	(443)	17,540
Equity transfers from other funds	-	443	-
Equity transfers to other funds	-	-	-
Retained Earnings - End of fiscal year	$ 27,870	$ -0-	$ 17,717

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

OFFICE SERVICES REVOLVING FUND	TELE-COMMUNICATIONS REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ 36,645	$ 12,681	$ 353,448	$ 462,877	$ 392,115
11,336	8,832	21,126	64,620	55,238
790	1,796	58	17,563	16,012
22,297	-	-	27,455	21,150
-	-	-	10,756	7,969
-	-	342,158	344,168	281,474
34,425	10,628	363,344	464,564	381,845
2,220	2,053	(9,895)	(1,687)	10,269
25	103	-	519	218
(26)	(753)	-	(1,699)	(993)
-	(650)	-	(1,179)	(774)
2,219	1,403	(9,895)	(2,866)	9,494
1	-	-	3	55
(1,732)	(320)	(28)	(3,287)	(2,429)
(1,731)	(320)	(28)	(3,283)	(2,374)
488	1,082	(9,924)	(6,150)	7,120
7,564	192	18,594	69,293	71,990
-	-	-	-	(9,818)
7,564	192	18,594	69,293	62,172
-	-	-	443	-
(443)	-	-	(443)	-
$ 7,609	$ 1,275	$ 8,670	$ 63,142	$ 69,293

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	MOTOR TRANSPORT REVOLVING FUND
SOURCES OF FUNDS:			
From operations:			
Net income (loss)	$ 2,025	$ -	$ 176
Items not requiring (providing) working capital:			
Depreciation	1,184	-	13,733
Compensated absences - long-term portion	70	(148)	(17)
Disability claims - long-term portion	-	-	-
Amortization of deferred items	-	-	-
Loss (gain) on disposal of fixed assets	4	-	937
Working Capital Provided (Used) from Operations	3,285	(148)	14,830
From other sources:			
Proceeds from bonds and notes sold	-	-	-
Sale of fixed assets	3	27	3,822
Decrease in other noncurrent assets	-	-	-
Increase in long-term lease obligations	-	-	-
Increase in advances and other long-term liabilities	5,588	-	13,027
Equity transfers from other funds	-	443	-
Total Sources (Uses) of Funds	$ 8,877	$ 322	$ 31,681
APPLICATION OF FUNDS:			
Increase in advances to other funds	$ -	$ -	$ -
Increase in other noncurrent assets (net)	-	-	-
Additions to fixed assets	6,671	-	25,906
Reduction in long-term lease obligations	-	-	-
Decrease in other long-term liabilities	-	-	-
Equity transfers to other funds	-	-	-
Net increase (decrease) in working capital	2,205	322	5,775
Total Application of Funds	$ 8,877	$ 322	$ 31,681
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash and cash equivalents	$ 1	$ -	$ -
Equity in/Liability to Common Cash	2,747	434	10,717
Amounts due from other funds	-	-	-
Amounts due from federal agencies	-	-	-
Amounts due from local units	42	(155)	-
Inventories	629	-	(28)
Other current assets	(23)	-	(96)
Warrants outstanding	196	5	115
Accounts payable and other liabilities	(1,374)	37	75
Amounts due to other funds	(13)	-	(5,008)
Bonds and notes payable current	-	-	-
Deferred revenue	-	-	-
Net Increase (Decrease) in Working Capital	$ 2,205	$ 322	$ 5,775

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

OFFICE SERVICES REVOLVING FUND	TELE-COMMUNICATIONS REVOLVING FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988
$ 488	$ 1,082	$ (9,924)	$ (6,150)	$ 7,120
790	1,796	58	17,563	16,012
282	27	(24)	190	405
–	–	6,957	6,957	535
–	(115)	–	(115)	(115)
(13)	–	–	929	215
1,548	2,790	(2,931)	19,374	24,173
–	306	–	306	–
37	–	–	3,890	3,089
–	–	9,891	9,891	–
18	–	–	18	67
–	–	–	18,616	17,872
–	–	–	443	–
$ 1,604	$ 3,096	$ 6,959	$ 52,542	$ 45,203
$ –	$ –	$ 13,027	$ 13,027	$ 17,450
–	–	–	–	5,497
1,156	2,096	95	35,925	31,226
–	–	–	–	1,707
–	1,839	–	1,839	–
443	–	–	443	–
4	(838)	(6,163)	1,305	(10,677)
$ 1,604	$ 3,096	$ 6,959	$ 52,542	$ 45,203
$ 194	$ –	$ 1	$ 197	$ (2)
(3,773)	(215)	(22,577)	(12,666)	(41,964)
–	–	8,402	8,402	(42)
–	–	–	–	6
8	–	–	(104)	252
4,099	–	–	4,699	1,500
159	72	226	338	(685)
(55)	127	(27)	361	(53)
(623)	(17)	(6,625)	(8,528)	6,152
(13)	(552)	(1)	(5,590)	(30)
–	(252)	–	(252)	–
9	–	14,438	14,448	24,190
$ 4	$ (838)	$ (6,163)	$ 1,305	$ (10,677)

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STATE OF MICHIGAN
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS – BY CLASSIFICATION
SEPTEMBER 30, 1989
(In Thousands)

	EXPENDABLE TRUST FUNDS	PENSION TRUST FUNDS	AGENCY FUNDS	TOTALS SEPTEMBER 30, 1989	TOTALS SEPTEMBER 30, 1988 (RESTATED)*
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 4,811	$ 10	$ 4,172	$ 8,993	$ 5,265
Equity in Common Cash	273,945	155,875	104,129	533,950	476,252
Taxes, interest, and penalties receivable	139,653	–	–	139,653	144,506
Amounts due from other funds	7,415	10,772	2,593	20,781	13,731
Amounts due from federal agencies	15,252	–	198	15,451	14,766
Amounts due from local un	16,222	48,771	–	64,993	60,176
Investments	1,243,563	2,272,623	–	3,516,186	3,350,369
Other current assets	31,121	1,311,275	25,231	1,367,627	225,716
Total Current Assets	1,731,985	3,799,328	136,325	5,667,638	4,290,783
Amounts due from local units	1,574	–	–	1,574	1,010
Investments	417,723	14,031,128	729,822	15,178,674	14,732,989
Property, plant, and equipment	–	21	–	21	–
Other noncurrent assets	4,766	–	1,342,572	1,347,339	1,088,419
Total Assets	$ 2,156,049	$17,830,478	$ 2,208,720	$22,195,248	$20,113,202
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Liability to Common Cash	$ –	$ –	$ –	$ –	$ 2,726
Warrants outstanding	1,966	20,448	137	22,551	18,499
Accounts payable and other liabilities	267,356	76,406	1,681	345,444	270,374
Amounts due to other funds	2,750	–	–	2,750	4,798
Deferred revenue	19,134	–	–	19,134	11,241
Total Current Liabilities	291,207	96,854	1,819	389,881	307,640
Long-Term Liabilities:					
Advances from other funds	2,121	–	–	2,121	2,216
Advances from federal agencies	602,517	–	–	602,517	781,539
Deferred revenue	232	–	–	232	–
Other long-term liabilities	–	–	2,206,901	2,206,901	1,820,248
Total Liabilities	896,078	96,854	2,208,720	3,201,654	2,911,644
Fund Balances:					
Reserved	–	17,733,623	–	17,733,623	16,209,702
Unreserved	1,259,970	–	–	1,259,970	991,854
Total Fund Balances	1,259,970	17,733,623	-0-	18,993,594	17,201,557
Total Liabilities and Fund Balances	$ 2,156,049	$17,830,478	$ 2,208,720	$22,195,248	$20,113,202

*The prior year column was restated to reflect the reclassification of the Municipal Employees' Retirement Fund from an expendable trust fund to a pension trust fund, which resulted in the fund's previously reported unreserved fund balance being reclassified as reserved for pension benefits. The column was also restated to reflect the reclassification of the Michigan Education Trust from an expendable trust fund to an enterprise fund, as well as the creation of the new Michigan State Hospital Finance Authority Defeased Bonds Fund

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF EXPENDABLE TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

MICHIGAN UNEMPLOYMENT COMPENSATION FUND

The Michigan Unemployment Compensation Fund is administered by the Michigan Employment Security Commission as authorized by P.A. 1 of 1936 (Extra Session). The fund receives contributions from employers and provides for the payment of benefits to eligible unemployed workers. It also makes payments under certain federally funded programs. Administrative costs of the fund are accounted for in the Michigan Employment Security Act – Administration Fund, which is a special revenue fund.

MICHIGAN EMPLOYMENT SECURITY ACT CONTINGENT FUND

The Michigan Employment Security Act Contingent Fund, which is administered by the Michigan Employment Security Commission (MESC), was created by P.A. 535 of 1982 to receive a special unemployment tax surcharge, known as the solvency tax. The fund also receives interest and penalty charges on late contributions. Solvency taxes were originally restricted to two purposes, payment of interest on the Michigan Unemployment Compensation Fund borrowings from the federal government and, funding of the costs of a major automation project to the extent that such costs were not funded by other MESC revenue sources. Interest and penalty revenues are spent at the discretion of the commission. Public Act 224 of 1989 also authorizes the fund to make $21.0 million in repayments out of its solvency tax collections and penalty and interest revenues during fiscal year 1989-90. The repayments, which have been recorded as expenditures and liabilities during 1988-89, will be made prorata to employers who paid solvency taxes for years 1983-85. The recording of the deferred interest payments is explained in the notes to the General Purpose Financial Statements.

MICHIGAN STATE ACCIDENT FUND

As explained in the "Basis of Accounting - Reporting Entity" note to the financial statements, the operations of the Michigan State Accident Fund (MSAF) are not reported in these statements. The amounts included in the State trust fund represent only that portion of the assets which are invested by the State Treasurer on behalf of MSAF. Revenues of the trust fund include reimbursements for State employees workers' compensation payments and administrative costs, deposits by the MSAF to the fund, and investment earnings. Withdrawals from the fund by the MSAF are recorded as expenditures. Operating transfers out reflect trust fund administrative costs, which are recorded as expenditures in the General Fund.

SECOND INJURY FUND

Public Act 317 of 1969, as amended, created the Second Injury Fund to insure carriers and self-insured employers against certain workers' compensation losses. The fund is supervised by the administrator who is appointed by the fund's Board of Trustees. The fund's revenue consists of assessments, calculated under provisions of the act, which are assessed to insurance carriers and self-insured employers. Administrative costs are appropriated in the General Fund with financing provided by way of operating transfers.

MUNICIPAL EMPLOYEES' RETIREMENT FUND

Beginning October 1, 1988, this fund was reclassified as a pension trust fund. This change was made to reflect the current emphasis in pension accounting on the nature of the fund and the accounting basis (i.e., accrual) used, rather than the relationship between the fund and the reporting entity.

STATE EMPLOYEES' DEFERRED COMPENSATION FUND II (401K)

The State Employees' Deferred Compensation Fund II (401k) was administratively established to account for a deferred compensation plan which permits State employees to defer a portion of their income until future years. A footnote to the General Purpose Financial Statements, titled "Deferred Compensation Plans," includes additional information on the plan.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF EXPENDABLE TRUST FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989

MICHIGAN EDUCATION TRUST

As explained more fully in Note #4 to the general purpose financial statements, the Michigan Education Trust has been reclassified and is now reported in the enterprise fund group.

TRANSPORTATION RELATED TRUST FUNDS

The transportation related trust funds column reflects the activities of four funds: the Special Federal Bridge Replacement Fund, the Federal County Road Fund, the Federal Urban Transportation System Fund, and the Highway Topics and Safety Program Fund. The Michigan Department of Transportation is recognized as the legal representative of the State including all governmental subdivisions in the administration of these programs. The financing accounted for in these funds consists primarily of local and federal matching funds with very little State funds. Financing provided prior to expenditures being incurred is recorded as deferred revenue and revenue is recognized as expenditures are made. As a result of this, the fund balances of these funds are usually zero.

The Special Federal Bridge Replacement Fund was established in conjunction with the Federal Highway Act of 1970, Section 144. This section was authorized by Congress to assist states in reconstructing or replacing roadway bridges which are found to be unsafe or obsolete.

The Federal County Road Fund was established in conjunction with the Federal Aid Highway Act of 1944. This act authorizes funds for projects on the secondary road system which are selected by the Michigan Department of Transportation in cooperation with county road commissions and the Bureau of Public Roads.

The Federal Urban Transportation System Fund was created to administer provisions of the Federal Highway Act of 1970, Section 106. The responsibility for administration of the act was placed in the Michigan Department of Transportation by Section 302(a) of Title 23, United States Code, and was authorized by section 7(m) of P.A. 286 of 1964. The principal objective of the fund is the improvement of urban highway systems in cooperation with local units of government.

The Highway Topics and Safety Program Fund was established in conjunction with the Federal Aid Highway Acts of 1968 and 1973. The objective of this program is to improve the safety and operating conditions of the existing street and road systems in urban areas.

MISCELLANEOUS TRUST ACCOUNTS FUND

This fund is used to report the transactions of several legally separated activities in which the State holds funds in a fiduciary manner. These activities include the following "funds": State Office Buildings Bond Redemption; Vietnam Veterans' Memorial Monument; Children's Institute Trust; Escheats; Gifts, Bequests, and Deposits Investment; Silicosis, Dust Disease, and Logging Industry Compensation; Agricultural College Fund - Morrill Act; Hospital Patients' Trust; Federal Housing Administration Mortgages Escrow; Self-Insurers' Security; Special Assessment Deferment; Urban Land Assembly Loan; Utility Consumer Representation; Bankrupt Self Insured Corporations Workers' Disability Funds #1 and #2; and Fred Sanders Inc. Workers' Compensation Trust.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN UNEMPLOYMENT COMPENSATION FUND	MICHIGAN EMPLOYMENT SECURITY ACT CONTINGENT FUND	MICHIGAN STATE ACCIDENT FUND	SECOND INJURY FUND
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 2,834	$ -	$ -	$ 8
Equity in Common Cash	-	48,522	85,596	16,238
Taxes, interest, and penalties receivable	139,653	-	-	-
Amounts due from other funds	2,040	1,150	1,378	405
Amounts due from federal agencies	-	-	-	-
Amounts due from local units	12,509	-	-	-
Investments	1,222,175	-	-	-
Other current assets	18,862	-	6,640	186
Total Current Assets	1,398,076	49,672	93,616	16,838
Amounts due from local units	-	-	-	-
Investments	-	-	365,714	-
Other noncurrent assets	-	-	-	-
Total Assets	$ 1,398,076	$ 49,672	$ 459,330	$ 16,838
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	$ -	$ -	$ -	$ 691
Accounts payable and other liabilities	221,933	21,000	-	3,833
Amounts due to other funds	55	-	-	22
Deferred revenue	3,977	-	-	4,675
Total Current Liabilities	225,966	21,000	-	9,223
Long-Term Liabilities:				
Advances from other funds	-	-	-	-
Advances from federal agencies	602,517	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	828,483	21,000	-	9,223
Fund Balances:				
Unreserved	569,593	28,672	459,330	7,614
Total Fund Balances	569,593	28,672	459,330	7,614
Total Liabilities and Fund Balances	$ 1,398,076	$ 49,672	$ 459,330	$ 16,838

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

ATE LOYEES' FERRED PENSATION D II(401K)	TRANSPORTATION RELATED TRUST FUNDS	MISCELLANEOUS TRUST ACCOUNTS FUND	TOTALS SEPTEMBER 30, 1989	SEPTEMBER 30, 1988 (RESTATED)*
			$ 4,811	$ 1,764
		$ 1,948	273,945	263,336
		111,470	139,653	144,506
		2,137	7,415	7,756
		–	15,252	14,383
		359	16,222	16,793
		21,387	1,243,563	1,169,155
		4,966	31,121	29,182
		142,270	1,731,985	1,646,879
$ 20	$ 3,744	1,574	1,574	1,010
8,372	–	669	417,723	376,900
162	140	3,237	4,766	4,144
–	15,252	$ 147,750	$ 2,156,049	$ 2,028,935
–	3,353			
434	–			
8,989	30			
–	22,521			
51,339	–			
1,529	–			
$ 61,858	$ 22,521			
		491	$ 1,966	$ 3,445
	$ 695	8,140	267,356	233,919
87	12,447	1,418	2,750	4,718
1	1,253	2,356	19,134	11,241
–	8,125	12,406	291,207	253,325
–	22,521			
89				
		2,121	2,121	2,216
	–	–	602,517	781,539
	–	232	232	–
	–	14,760	896,078	1,037,080
	22,521			
89		132,990	1,259,970	991,854
	–	132,990	1,259,970	991,854
61,768	-0-	$ 147,750	$ 2,156,049	$ 2,028,935
61,768	$ 22,521			
$ 61,858				

*The prior year column was restated for the reclassification of the Municipal Employees' Retirement Fund (now reported in the pension trust fund group) and the Michigan Education Trust (now reported in the enterprise fund group).

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	MICHIGAN UNEMPLOYMENT COMPENSATION FUND	MICHIGAN EMPLOYMENT SECURITY ACT CONTINGENT FUND	MICHIGAN STATE ACCIDENT FUND	SECOND INJURY FUND
REVENUES				
Taxes	$ 1,047,573	$ 2,137	$ -	$ -
From federal agencies	47,583	-	-	-
From local agencies	-	-	-	-
Miscellaneous	71,362	13,636	67,937	15,194
Total Revenues	1,166,519	15,774	67,937	15,194
EXPENDITURES				
Current:				
General government	-	-	-	-
Education	-	-	-	-
Health and welfare	-	-	-	-
Conservation, recreation, and agriculture	-	-	-	-
Labor, commerce, and regulatory	931,055	23,302	42,170	17,844
Mental health	-	-	-	-
Transportation	-	-	-	-
Total Expenditures	931,055	23,302	42,170	17,844
Excess of Revenues over (under) Expenditures	235,463	(7,527)	25,767	(2,650)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	105	-	-
Operating transfers out	-	(877)	(57)	(3,113)
Total Other Financing Sources (Uses)	-	(772)	(57)	(3,113)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	235,463	(8,299)	25,709	(5,764)
Fund Balances - Beginning of fiscal year - as previously reported	334,129	36,972	433,621	13,379
Effect of accounting changes	-	-	-	-
Fund Balances - Beginning of fiscal year - restated	334,129	36,972	433,621	13,379
Fund Balances - End of fiscal year	$ 569,593	$ 28,672	$ 459,330	$ 7,614

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

MUNICIPAL EMPLOYEES' RETIREMENT FUND	STATE EMPLOYEES' DEFERRED COMPENSATION FUND II (401K)	MICHIGAN EDUCATION TRUST	TRANSPORTATION RELATED TRUST FUNDS	MISCELLANEOUS TRUST ACCOUNTS FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988 (RESTATED)*
$ -	$ -	$ -	$ -	$ -	$ 1,049,711	$ 1,061,806
-	-	-	59,301	-	106,885	134,734
-	-	-	15,432	3,805	19,237	18,331
-	26,730	-	507	88,837	284,207	252,409
-	26,730	-	75,242	92,642	1,460,041	1,467,281
-	2,566	-	-	41,734	44,301	44,471
-	-	-	-	12	12	7
-	-	-	-	366	366	627
-	-	-	-	22	22	124
-	-	-	-	6,890	1,021,263	1,114,432
-	-	-	-	5,723	5,723	6,022
-	-	-	78,517	-	78,517	98,013
-	2,566	-	78,517	54,749	1,150,206	1,263,700
-	24,163	-	(3,275)	37,893	309,834	203,581
-	-	-	3,722	159	3,987	4,068
-	(6)	-	(447)	(41,203)	(45,706)	(53,710)
-	(6)	-	3,275	(41,043)	(41,718)	(49,641)
-	24,156	-	-	(3,150)	268,116	153,939
1,165,122	37,611	35	-0-	136,141	2,157,012	1,930,586
(1,165,122)	-	(35)	-	-	(1,165,157)	(1,092,671)
-0-	37,611	-0-	-0-	136,141	991,854	837,915
$ -0-	$ 61,768	$ -0-	$ -0-	$ 132,990	$ 1,259,970	$ 991,854

*The prior year column was restated for the reclassification of the Municipal Employees' Retirement Fund (now reported in the pension trust fund group) and the Michigan Education Trust (now reported in the enterprise fund group).

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STATE OF MICHIGAN
DESCRIPTIONS OF PENSION TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

Additional Pension Trust Fund information regarding plan membership, benefits and funding requirements may be found in the footnote to the financial statements entitled "Pension Benefits."

LEGISLATIVE RETIREMENT FUND

The Legislative Retirement System was created by P.A. 261 of 1957 to provide retirement allowances, survivors' allowances, and other benefits for members of the Legislature and the presiding officers and their surviving spouses or children. Participants in the system have a deduction from each salary payment to partly finance the fund. In addition, legislative appropriations, interest on fund investments, and court fees complete the financing.

STATE POLICE RETIREMENT FUND

This fund was created by P.A. 251 of 1935 which was superseded by P.A. 182 of 1986 to provide retirement benefits for State Police officers. It is administered by a nine member board under the direction of a chairperson elected from the membership. Financing is provided by investment income and by an annual legislative appropriation from the General Fund.

STATE EMPLOYEES' RETIREMENT FUND

This fund was established by P.A. 240 of 1943 and is administered by a nine member board under the direction of an Executive Secretary. Public Act 216 of 1974 eliminated the requirement for member contributions and provided for financing by legislative appropriation and investment earnings.

PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND

In accordance with P.A. 300 of 1980, on October 1, 1981 the Public School Employees' Chapter I Retirement Fund was merged with the Public School Employees' Chapter II Retirement Fund to establish the Public School Employees' Retirement Fund. The two original funds were created by Public Acts 136 of 1945 and 259 of 1974, respectively. Administrative policy is governed by an eight member board.

Financing for the fund is provided by both annual appropriations by the Legislature and employer contributions. Under P.A. 91 of 1985, additional amounts may be contributed by employees to a "member investment plan."

PROBATE JUDGES' AND JUDGES' RETIREMENT FUNDS

Public Act 198 of 1951 and P.A. 165 of 1954 created the Judges' and Probate Judges' Retirement Funds respectively. These funds are administered by their respective boards under direction of the Executive Secretary of the State Employees' Retirement Fund. Financing is from member contributions, court filing fees as provided under law, investment earnings, and legislative appropriations. Amendments to the basic law by P.A. 508 and P.A. 510 of 1982 closed the Probate Judges' Retirement Fund to new members. As of January 1983, all new members of the judicial retirement system are included in the Judges' Retirement Fund.

MUNICIPAL EMPLOYEES' RETIREMENT FUND

The fund and its governing board were authorized by P.A. 135 of 1945 as amended. Revenues are provided to the fund from participating municipalities' and employees' contributions and investment income. Expenses are recorded for benefit payments, contribution refunds, and direct administrative charges. Additional administrative costs incurred in the General Fund are financed by operating transfers from this fund. The State of Michigan's responsibility is that of due care required of an administrator. It has no legal or moral obligation to provide funding requirements, as that is the responsibility of the participating municipalities.

As of October 1, 1988, the fund was reclassified from an expendable trust fund to a pension trust fund. This was done to reflect the current emphasis in pension accounting on the nature of the fund and the accounting basis (i.e., accrual) used, rather than the relationship between the fund and the reporting entity.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING BALANCE SHEET
PENSION TRUST FUNDS
SEPTEMBER 30, 1989
(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND	STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND
ASSETS				
Current Assets:				
Cash and cash equivalents	$ -	$ -	$ 5	$ -
Equity in Common Cash	6,762	2,783	29,499	68,816
Amounts due from other funds	177	818	6,689	2,078
Amounts due from local units	104	-	-	43,831
Investments	500	46,885	433,811	1,638,087
Other current assets	918	29,828	283,441	947,426
Total Current Assets	8,463	80,315	753,446	2,700,240
Investments	48,301	306,894	2,924,980	9,619,350
Property, plant, and equipment:				
Buildings and equipment	-	-	5	18
Allowance for depreciation	-	-	-	(1)
Total property, plant, and equipment	-	-	5	16
Total Assets	$ 56,764	$ 387,210	$ 3,678,432	$12,319,606
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Warrants outstanding	$ 25	$ 127	$ 1,834	$ 18,067
Accounts payable and other liabilities	60	1,660	21,476	50,186
Total Current Liabilities	85	1,788	23,311	68,254
Total Liabilities	85	1,788	23,311	68,254
Fund Balances:				
Reserved for Pension Benefits	56,678	385,422	3,655,120	12,251,352
Total Fund Balances	56,678	385,422	3,655,120	12,251,352
Total Liabilities and Fund Balances	$ 56,764	$ 387,210	$ 3,678,432	$12,319,606

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	MUNCIPAL EMPLOYEES' RETIREMENT FUND	TOTALS	
			SEPTEMBER 30, 1989	SEPTEMBER 30, 1988 (RESTATED)*
$ -	$ -	$ 5	$ 10	$ 10
139	2,779	45,095	155,875	188,877
3	79	925	10,772	5,505
124	724	3,986	48,771	43,382
1,768	14,431	137,140	2,272,623	2,181,213
1,393	8,364	39,901	1,311,275	175,137
3,428	26,379	227,053	3,799,328	2,594,125
13,361	87,527	1,030,712	14,031,128	13,662,809
-	-	-	24	-
-	-	-	(2)	-
-	-	-	21	-
$ 16,790	$ 113,907	$ 1,257,766	$17,830,478	$16,256,935
$ 18	$ 65	$ 308	$ 20,448	$ 14,739
70	724	2,227	76,406	32,493
89	790	2,535	96,854	47,232
89	790	2,535	96,854	47,232
16,701	113,117	1,255,230	17,733,623	16,209,702
16,701	113,117	1,255,230	17,733,623	16,209,702
$ 16,790	$ 113,907	$ 1,257,766	$17,830,478	$16,256,935

*The prior year column was restated for the effect of a change in fund classification for the Municipal Employees' Retirement Fund.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
PENSION TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND	STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND
OPERATING REVENUES:				
Contributions:				
From members	$ 572	$ 76	$ 3,008	$ 157,275
From employers	2,102	19,675	162,046	566,306
Total contributions from members and employers	2,674	19,751	165,055	723,582
Investment revenue (net)	4,898	35,039	340,938	1,137,085
Miscellaneous:				
Court fees for administration and annuities	1,043	-	-	-
Other	-	-	-	-
Total miscellaneous	1,043	-	-	-
Total Operating Revenues	8,616	54,791	505,994	1,860,668
OPERATING EXPENSES:				
Salaries, wages, and other administrative	336	123	1,465	5,127
Depreciation	-	-	-	1
Benefits, insurance, and refunds:				
Benefits paid to participants or beneficiaries	2,281	16,976	178,660	619,375
Medical, dental, and life insurance for retirants	814	3,492	52,838	122,619
Refunds	15	6	156	1,367
Total benefits, insurance, and refunds	3,111	20,474	231,655	743,362
Total Operating Expenses	3,447	20,597	233,121	748,492
Operating Income (Loss)	5,168	34,193	272,872	1,112,175
OPERATING TRANSFERS:				
Operating transfers in	-	-	57	35
Operating transfers out	(5)	(104)	(1,044)	(3,179)
Total Operating Transfers In (Out)	(5)	(104)	(986)	(3,143)
Net Income (Loss)	5,162	34,089	271,885	1,109,031
Fund Balances - Beginning of fiscal year - as previously reported	51,515	351,333	3,383,235	11,142,320
Effect of accounting changes	-	-	-	-
Fund Balances - Beginning of fiscal year - restated	51,515	351,333	3,383,235	11,142,320
Fund Balances - End of fiscal year	$ 56,678	$ 385,422	$ 3,655,120	$12,251,352

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	MUNICIPAL EMPLOYEES' RETIREMENT FUND	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1989	TOTALS FISCAL YEARS ENDED SEPTEMBER 30, 1988 (RESTATED)*
$ 135	$ 2,320	$ 12,044	$ 175,433	$ 161,108
77	1,386	11,872	763,467	825,391
213	3,706	23,917	938,901	986,499
1,572	9,999	128,892	1,658,427	1,240,637
657	5,149	-	6,849	6,421
-	-	-	-	58
657	5,149	-	6,850	6,480
2,443	18,855	152,810	2,604,178	2,233,617
50	142	3,323	10,569	10,586
-	-	-	2	-
1,459	5,776	43,036	867,567	733,594
-	40	-	179,805	127,843
-	101	16,184	17,830	5,038
1,459	5,918	59,220	1,065,203	866,476
1,510	6,061	62,544	1,075,776	877,063
932	12,794	90,265	1,528,402	1,356,553
-	14	-	107	141
(26)	(72)	(157)	(4,589)	(4,303)
(26)	(57)	(157)	(4,482)	(4,162)
905	12,736	90,108	1,523,920	1,352,390
15,795	100,380	-0-	15,044,580	13,764,640
-	-	1,165,122	1,165,122	1,092,671
15,795	100,380	1,165,122	16,209,702	14,857,312
$ 16,701	$ 113,117	$ 1,255,230	$17,733,623	$16,209,702

*The prior year column was restated for the effect of a change in fund classification for the Municipal Employees' Retirement Fund.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DESCRIPTIONS OF AGENCY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989

RECEIPTS CLEARING FUND

In prior years, this fund was used by several State departments primarily as a depository for various receipts, the classification as to type of revenue being unknown at the time of deposit. Subsequent to the deposit of monies in this fund, the departments recorded adjusting entries to credit the proper funds and accounts for revenues received.

As of October 1, 1988, the balances in this fund were reclassified to the various affected State funds. The accounting for such receipts is now done within accounts of other State funds.

METROPOLITAN PLANNING FUND

This fund was established by the Federal Highway Act of 1973, Section 112 and 134 to account for Federal "pass through" funds that reimburse local regional planning agencies for operating expenses. Local money is advanced to the fund, approximately 80% of which is reimbursed to the local unit by the federal government. The financing accounted for in this fund consists of federal and local money, and no State funds are involved.

CONTRIBUTION FUND (SOCIAL SECURITY)

The function of this fund is to account for monies provided for social security coverage of employees of the State of Michigan and its political subdivisions. The fund, established by P.A. 205 of 1951, is administered by the State Employees' Retirement Board. Social Security reports and contributions by the employee and the employer are reported to the board. The various reports and contributions are recapped and forwarded to the Federal Social Security Administration.

Federal legislation was passed amending section 218 of the Social Security Act which required the State to cease collection of contributions before January 1, 1987. The statute of limitations for completion of any adjustment processing is set at three years after audit of activity through December 31, 1986. At that time, the fund and its purpose will become obsolete.

STATE EMPLOYEES' DEFERRED COMPENSATION FUND I (457)

The State Employees' Deferred Compensation Fund I (457) was administratively established to account for a deferred compensation plan which permits all State employees to defer a portion of their income until future years. The plan is administered by the Department of Civil Service. Employee contributions to the fund are recognized as increases to assets and liabilities. Benefits paid and administrative costs decrease assets and liabilities. Administrative costs are appropriated in the General Fund and are reimbursed by this fund. A footnote to the General Purpose Financial Statements, titled "Deferred Compensation Plans," includes additional information on the plan.

HAZARDOUS AND SOLID WASTE DISPOSAL FACILITIES CLOSURE GUARANTEE FUND

This fund was authorized by P.A. 641 of 1978, as amended, and P.A. 64 of 1979 to account for cash bonds posted by applicants desiring licenses to operate hazardous and solid waste disposal areas. In accordance with P.A. 641 of 1978, as amended, interest earnings up to 6% are credited to the applicant's account. This act also specifies the circumstances under which the director of the Department of Natural Resources is authorized to use the deposits to close and maintain a facility or return the deposit upon the operator's satisfactory closure and maintenance of the facility.

INSURANCE CARRIER DEPOSITS FUND

This fund was administratively established to account for deposits held by the State Treasurer on behalf of insurance carriers who operate in this State and are required by P.A. 218 of 1956, as amended, to provide such deposits. Additional deposits, related to insurance companies in receivership, are held under the control of the Insurance Bureau of the Department of Licensing and Regulation. All deposits are in the form of various securities and other acceptable assets.

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STATE OF MICHIGAN
DESCRIPTIONS OF AGENCY FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989

FINANCIAL INSTITUTION DEPOSITS FUND

This fund was administratively created as of October 1, 1988. It is used to account for security deposits held by the State Treasurer on behalf of banks which operate trust departments. Deposits are in the form of securities or other acceptable assets.

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY DEFEASED BONDS FUND

This fund was administratively created as of October 1, 1988 to account for investments held in escrow by the State Treasurer as fiscal agent for hospitals which have defeased Michigan State Hospital Finance Authority bonds.

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STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	BALANCE OCTOBER 1, 1988	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1989
RECEIPTS CLEARING FUND				
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 3,471	$ -	$ 3,471	$ -
Other current assets	499	-	499	-
Total Assets	$ 3,971	$ -	$ 3,971	$ -0-
LIABILITIES				
Current Liabilities:				
Liability to Common Cash	$ 2,726	$ -	$ 2,726	$ -
Warrants outstanding	289	-	289	-
Accounts payable and other liabilities	875	-	875	-
Amounts due to other funds	80	-	80	-
Total Liabilities	$ 3,971	$ -	$ 3,971	$ -0-
METROPOLITAN PLANNING FUND				
ASSETS				
Current Assets:				
Equity in Common Cash	$ 108	$ 2,378	$ 2,400	$ 85
Amounts due from federal agencies	383	198	383	198
Total Assets	$ 491	$ 2,576	$ 2,783	$ 284
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ 4	$ 24	$ -	$ 28
Accounts payable and other liabilities	487	2,177	2,408	256
Total Liabilities	$ 491	$ 2,201	$ 2,408	$ 284
CONTRIBUTION FUND (SOCIAL SECURITY)				
ASSETS				
Current Assets:				
Equity in Common Cash	$ 2,396	$ 2,896	$ 5,152	$ 140
Total Assets	$ 2,396	$ 2,896	$ 5,152	$ 140
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ 1	$ -	$ 1	$ -
Accounts payable and other liabilities	2,395	2,886	5,141	140
Total Liabilities	$ 2,396	$ 2,886	$ 5,142	$ 140

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	BALANCE OCTOBER 1, 1988	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1989
STATE EMPLOYEES DEFERRED COMPENSATION FUND I (457)				
ASSETS				
Current Assets:				
Equity in Common Cash	$ 19,162	$ 263,080	$ 180,632	$ 101,610
Amounts due from other funds	466	2,570	466	2,570
Total Current Assets	19,628	265,650	181,098	104,180
Investments	693,279	300,575	264,031	729,822
Total Assets	$ 712,907	$ 566,226	$ 445,129	$ 834,003
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ 19	$ 56	$ -	$ 75
Accounts payable and other liabilities	3	-	-	2
Total Current Liabilities	22	56	-	78
Long-Term Liabilities:				
Other long-term liabilities	712,884	163,188	42,148	833,925
Total Liabilities	$ 712,907	$ 163,245	$ 42,148	$ 834,003
HAZARDOUS AND SOLID WASTE DISPOSAL FACILITIES CLOSURE GUARANTEE FUND				
ASSETS				
Current Assets:				
Equity in Common Cash	$ 191	$ 1,078	$ 19	$ 1,250
Amounts due from other funds	3	22	3	22
Total Assets	$ 195	$ 1,100	$ 23	$ 1,273
LIABILITIES				
Current Liabilities:				
Accounts payable and other liabilities	$ 195	$ 1,077	$ -	$ 1,273
Total Liabilities	$ 195	$ 1,077	$ -	$ 1,273
INSURANCE CARRIER DEPOSITS FUND				
ASSETS				
Current Assets:				
Equity in Common Cash	$ 2,180	$ 13,253	$ 14,391	$ 1,042
Total Current Assets	2,180	13,253	14,391	1,042
Other noncurrent assets	284,656	33,225	7,649	310,232
Total Assets	$ 286,836	$ 46,479	$ 22,040	$ 311,275
LIABILITIES				
Current Liabilities:				
Warrants outstanding	$ -	$ 33	$ -	$ 33
Accounts payable and other liabilities	$ 5	9,653	9,649	9
Total Current Liabilities	5	9,686	9,649	42
Long-Term Liabilities:				
Other long-term liabilities	286,831	36,825	12,424	311,232
Total Liabilities	$ 286,836	$ 46,512	$ 22,073	$ 311,275

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

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STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

	BALANCE OCTOBER 1, 1988	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1989
FINANCIAL INSTITUTION DEPOSITS FUND				
ASSETS				
Other Noncurrent Assets	$ -	$ 28,070	$ -	$ 28,070
Total Assets	$ -0-	$ 28,070	$ -	$ 28,070
LIABILITIES				
Long-Term Liabilities:				
Other long-term liabilities	$ -	$ 28,070	$ -	$ 28,070
Total Liabilities	$ -0-	$ 28,070	$ -	$ 28,070
MICHIGAN STATE HOSPITAL FINANCE AUTHORITY DEFEASED BONDS FUND				
ASSETS	(RESTATED)*			
Current Assets:				
Cash and cash equivalents	$ 18	$ 939,592	$ 935,438	$ 4,172
Other current assets	20,896	76,863	72,529	$ 25,231
Total Current Assets	20,914	1,016,455	1,007,967	29,403
Other noncurrent assets	799,618	600,055	395,404	1,004,269
Total Assets	$ 820,532	$ 1,616,510	$ 1,403,371	$ 1,033,673
LIABILITIES				
Long-Term Liabilities:				
Other long-term liabilities	$ 820,532	$ 365,586	$ 152,445	$ 1,033,673
Total Liabilities	$ 820,532	$ 365,586	$ 152,445	$ 1,033,673
TOTALS - ALL AGENCY FUNDS				
ASSETS	(RESTATED)*			
Current Assets:				
Cash and cash equivalents	$ 3,489	$ 939,592	$ 938,910	$ 4,172
Equity in Common Cash	24,039	282,686	202,596	104,129
Amounts due from other funds	470	2,593	470	2,593
Amounts due from federal agencies	383	198	383	198
Other current assets	21,395	76,863	73,028	25,231
Total Current Assets	49,777	1,301,934	1,215,388	136,325
Investments	693,279	300,575	264,031	729,822
Other noncurrent assets	1,084,274	661,351	403,053	1,342,572
Total Assets	$ 1,827,331	$ 2,263,860	$ 1,882,473	$ 2,208,720
LIABILITIES				
Current Liabilities:				
Liability to Common Cash	$ 2,726	$ -	$ 2,726	$ -
Warrants outstanding	314	113	290	137
Accounts payable and other liabilities	3,962	15,795	18,075	1,682
Amounts due to other funds	80	-	80	-
Total Current Liabilities	7,083	15,908	21,172	1,819
Long-Term Liabilities:				
Other long-term liabilities	1,820,247	593,671	207,017	2,206,901
Total Liabilities	$ 1,827,331	$ 609,580	$ 228,190	$ 2,208,720

*Beginning balances were restated to reflect the new Michigan State Hospital Finance Authority Defeased Bonds Fund.

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

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STATE OF MICHIGAN

SCHEDULE OF GENERAL FIXED ASSETS ACCOUNT GROUP BY FUNCTION

SEPTEMBER 30, 1989

(In Thousands)

FUNCTION	LAND	BUILDINGS	EQUIPMENT	TOTAL
General government	$ 31,209	$ 242,192	$ 77,608	$ 351,009
Education	315	12,359	9,163	21,838
Health and welfare	1,934	120,122	63,560	185,618
Public safety and corrections	13,723	603,666	84,404	701,794
Conservation, recreation, and agriculture	113,676	51,362	58,442	223,481
Labor, commerce, and regulatory	683	18,221	40,697	59,602
Mental health	22,261	255,590	27,408	305,260
Transportation	3,757	55,320	81,961	141,039
Total general fixed assets allocated to functions	$ 187,561	$ 1,358,835	$ 443,247	1,989,644
Construction in progress				240,538
Total general fixed assets				$ 2,230,183

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

FISCAL YEAR ENDED SEPTEMBER 30, 1989

(In Thousands)

FUNCTION	BALANCE SEPTEMBER 30, 1988	ADDITIONS	DELETIONS	ADJUSTMENTS AND RECLASSIFICATIONS	BALANCE SEPTEMBER 30, 1989
General government	$ 281,083	$ 33,406	$ 6,467	$ 42,987	$ 351,009
Education	20,955	1,245	788	424	21,838
Health and welfare	156,435	43,952	10,594	(4,174)	185,618
Public safety and corrections	508,029	31,210	5,216	167,770	701,794
Conservation, recreation, and agriculture	211,839	9,266	3,877	6,253	223,481
Labor, commerce, and regulatory	53,061	11,614	1,755	(3,317)	59,602
Mental health	317,399	11,572	17,621	(6,091)	305,260
Transportation	139,266	9,557	2,064	(5,720)	141,039
Total general fixed assets allocated to functions	1,688,071	151,827	48,385	198,131	1,989,644
Construction in progress	226,912	230,291	-	(216,664)	240,538
Total general fixed assets	$ 1,914,983	$ 382,119	$ 48,385	$ (18,533)	$ 2,230,183

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES
GENERAL AND SPECIAL REVENUE FUNDS – STATE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

SOURCE	TOTAL	GENERAL FUND	SPECIAL REVENUE FUNDS
TAXES			
Sales tax	$ 2,615,208	$ 1,004,320	$ 1,610,888
Personal income tax	3,766,158	3,766,158	-
Corporation income tax	1,344	1,344	-
Single business tax	1,845,443	1,845,443	-
Use tax	475,855	475,855	-
Cigarette tax	267,016	245,654	21,361
Beer and wine tax	51,606	51,606	-
Liquor tax	60,184	40,138	20,045
Horse race wagering tax	20,785	20,785	-
Intangibles tax	118,060	118,060	-
Inheritance tax	103,884	103,884	-
Telephone and telegraph company tax	138,734	138,734	-
Insurance company taxes	76,601	76,601	-
Motor vehicle weight tax	397,038	-	397,038
Gasoline tax	633,953	8,946	625,006
Aviation fuel tax	5,605	-	5,605
Diesel fuel tax	54,129	-	54,129
Gas and oil severance tax	43,248	43,248	-
Industrial facilities tax	73,802	-	73,802
Penalties and interest – various taxes	81,127	81,127	-
Convention hotel accommodation tax	10,713	10,713	-
Airport parking tax	7,439	7,439	-
Other taxes	2,951	1,996	954
	10,850,896	8,042,064	2,808,831
FROM FEDERAL AGENCIES			
Department of Health and Human Services	2,601,043	2,600,546	496
Department of Education	300,287	253,325	46,961
Department of Agriculture	237,831	237,831	-
Department of Labor	264,649	139,529	125,119
Department of Housing and Urban Development	29,613	29,613	-
Environmental Protection Agency	29,581	29,581	-
Department of Energy	12,895	12,895	-
Department of Transportation	325,020	7,273	317,747
Department of Interior	11,125	8,857	2,267
Department of Defense	15,800	15,800	-
Department of Justice	8,262	8,262	-
Other federal agencies	25,656	23,805	1,851
	3,861,766	3,367,322	494,444
FROM LOCAL AGENCIES			
Counties	77,364	70,709	6,655
Cities, villages, and townships	19,548	19,537	10
Colleges and universities	5,511	5,511	-
School districts	6,469	6,469	-
Multi-level governmental units	14,984	1,426	13,557
Other local agencies	17,211	6,213	10,997
	141,089	109,868	31,220

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES
GENERAL AND SPECIAL REVENUE FUNDS – STATE FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

SOURCE	TOTAL	GENERAL FUND	SPECIAL REVENUE FUNDS
FROM SERVICES			
Charges for furnishing vehicle driver records	$ 23,592	$ 23,592	$ -
Revenue for patient, ward, and inmate care	69,557	69,557	-
Other services	12,431	11,466	965
	105,581	104,616	965
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	11,524	11,524	-
Motor vehicle operators' and chauffeurs' licenses	32,495	18,728	13,767
Examination fees – financial institutions and insurance industry	9,120	9,120	-
Department of Licensing and Regulation licenses and permits	19,013	19,013	-
Concession and privilege fees – State parks	9,892	9,892	-
Motor vehicle related	69,823	7,418	62,405
Hunting, fishing, and trapping licenses	40,913	-	40,913
Public utility assessment fees	16,286	16,286	-
Department of Commerce licenses and permits	6,286	6,286	-
Department of Agriculture licenses and permits	1,716	1,716	-
Auto repair facilities and mechanics licenses and fees	3,163	3,163	-
Corporation franchise fees	6,726	6,726	-
Other licenses and permits	24,848	12,375	12,473
	251,810	122,251	129,559
MISCELLANEOUS			
Income from investments	100,610	9,528	91,081
Various fines, fees, and assessments	21,557	15,082	6,474
Court fines, fees, and assessments	18,237	18,237	-
Oil and gas royalties, fees, assignments, and rentals	46,660	7,574	39,085
International Bridge Authority reimbursements	1,535	-	1,535
Sale of forest products on tax reverted land	7,282	7,282	-
Child support	138,330	138,330	-
Sale of land	3,040	1,164	1,876
Third party	4,287	4,287	-
Other	107,316	87,817	19,498
	448,856	289,304	159,551
Total Revenues	15,660,001	12,035,428	3,624,573
OTHER FINANCING SOURCES			
Proceeds from bond issues and bond anticipation notes	3,400	-	3,400
Capital lease acquisitions	57,249	55,034	2,215
Operating transfers in:			
From general and special revenue funds	1,196,020	174,709	1,021,311
From Liquor Purchase Revolving Fund	63,365	63,365	-
From State Lottery Fund	484,969	1,008	483,961
From Escheats Fund	15,031	15,031	-
From Gifts, Bequests, and Deposits Investment Fund	23,674	22,378	1,295
From State Building Authority	14,078	14,078	-
From other funds	19,403	13,638	5,765
Total Other Financing Sources	1,877,192	359,244	1,517,948
Total Revenue and Other Financing Sources	$17,537,194	$12,394,672	$ 5,142,521

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES
GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED REVENUES
TAXES			
Sales tax	$ 1,004,320	$ 601,950	$ 402,370
Personal income tax	3,766,158	3,420,975	345,183
Corporation income tax	1,344	1,344	-
Single business tax	1,845,443	1,554,011	291,431
Use tax	475,855	472,536	3,319
Cigarette tax	245,654	202,933	42,721
Beer and wine tax	51,606	51,606	-
Liquor tax	40,138	20,090	20,048
Horse race wagering tax	20,785	1,189	19,596
Intangibles tax	118,060	108,555	9,505
Inheritance tax	103,884	103,884	-
Telephone and telegraph company tax	138,734	138,734	-
Insurance company taxes	76,601	76,601	-
Gasoline tax	8,946	-	8,946
Gas and oil severance tax	43,248	43,246	2
Penalties and interest - various taxes	81,127	78,377	2,749
Convention hotel accommodation tax	10,713	-	10,713
Airport parking tax	7,439	-	7,439
Other taxes	1,996	1,771	225
	8,042,064	6,877,809	1,164,254
FROM FEDERAL AGENCIES			
Department of Health and Human Services	2,600,546	26,330	2,574,216
Department of Education	253,325	654	252,671
Department of Agriculture	237,831	847	236,984
Department of Labor	139,529	1,164	138,365
Department of Housing and Urban Development	29,613	-	29,613
Environmental Protection Agency	29,581	22	29,558
Department of Energy	12,895	71	12,823
Department of Transportation	7,273	12	7,261
Department of Interior	8,857	26	8,831
Department of Defense	15,800	43	15,757
Department of Justice	8,262	32	8,229
Other federal agencies	23,805	8,631	15,174
	3,367,322	37,836	3,329,486
FROM LOCAL AGENCIES			
Counties	70,709	7,133	63,576
Cities, villages, and townships	19,537	240	19,297
Colleges and universities	5,511	-	5,511
School districts	6,469	91	6,377
Multi-level governmental units	1,426	87	1,339
Other local agencies	6,213	47	6,166
	109,868	7,599	102,268
FROM SERVICES			
Charges for furnishing vehicle driver records	23,592	2,082	21,509
Revenue for patient, ward, and inmate care	69,557	93	69,464
Other services	11,466	476	10,989
	104,616	2,653	101,963

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES
GENERAL FUND (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED REVENUES
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	$ 11,524	$ -	$ 11,524
Motor vehicle operators' and chauffeurs' licenses	18,728	2,108	16,619
Examination fees - financial institutions and insurance industry	9,120	2	9,118
Department of Licensing and Regulation licenses and permits	19,013	10,761	8,251
Concession and privilege fees - State parks	9,892	-	9,892
Motor vehicle related	7,418	-	7,418
Public utility assessment fees	16,286	-	16,286
Department of Commerce licenses and permits	6,286	88	6,197
Department of Agriculture licenses and permits	1,716	478	1,238
Auto repair facilities and mechanics licenses and fees	3,163	572	2,590
Corporation franchise fees	6,726	159	6,567
Other licenses and permits	12,375	2,707	9,667
	122,251	16,878	105,373
MISCELLANEOUS			
Income from investments	9,528	7,154	2,374
Various fines, fees, and assessments	15,082	1,850	13,231
Court fines, fees, and assessments	18,237	7,236	11,000
Oil and gas royalties, fees, assignments, and rentals	7,574	-	7,574
Sale of forest products on tax reverted land	7,282	-	7,282
Child support	138,330	-	138,330
Sale of land	1,164	1,051	112
Third party	4,287	-	4,287
Other	87,817	37,458	50,359
	289,304	54,752	234,552
Total Revenues	12,035,428	6,997,529	5,037,898
OTHER FINANCING SOURCES			
Capital lease acquisitions	55,034	55,034	-
Operating transfers in:			
From special revenue funds	174,709	678	174,031
From Liquor Purchase Revolving Fund	63,365	48,073	15,291
From State Lottery Fund	1,008	806	201
From Escheats Fund	15,031	15,031	-
From Gifts, Bequests, and Deposits Investment Fund	22,378	371	22,006
From State Building Authority	14,078	-	14,078
From other funds	13,638	518	13,119
Total Other Financing Sources	359,244	120,513	238,730
Total Revenue and Other Financing Sources (GAAP)	12,394,672	7,118,043	5,276,629
BUDGETARY BASIS ADJUSTMENTS			
Capital lease acquisitions	(55,034)	(55,034)	-
Total Revenue and Other Financing Sources (budgetary basis)	$12,339,638	$ 7,063,008	$ 5,276,629

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
SOURCE AND DISPOSITION OF GENERAL FUND AUTHORIZATIONS
FISCAL YEAR ENDED SEPTEMBER 30, 1989
(In Thousands)

BRANCH AND DEPARTMENT	CURRENT LEGISLATIVE APPROPRIATION	UNEXPENDED BALANCES FROM PRIOR YEARS	RESTRICTED REVENUE ADDITIONS	BUDGETARY TRANSFERS IN (OUT)	GROSS AUTHORIZATIONS
Legislative Branch	$ 107,507	$ 17,751	$ 4,655	$ 558	$ 130,474
Judicial Branch	105,465	880	36,758	20	143,125
Executive Branch:					
Executive Office	4,027	4	-	-	4,031
Management and Budget	240,384	167,141	1,106,355	(27,580)	1,486,301
Attorney General	23,085	137	6,957	8	30,188
Civil Rights	11,154	34	1,402	-	12,592
Civil Service	13,558	1,552	6,136	-	21,247
State	19,918	2,775	93,329	-	116,024
Treasury	97,138	18,643	102,056	-	217,838
Education	616,264	3,953	466,438	319	1,086,975
Grants to Colleges and Universities	1,275,627	36,348	-	17,068	1,329,044
Public Health	132,892	21,823	209,910	507	365,133
Mental Health	836,519	36,464	315,886	3,969	1,192,840
Social Services	2,303,570	39,606	2,369,575	714	4,713,467
Corrections	666,468	89,458	31,417	2,504	789,849
Military Affairs	12,629	7,106	12,558	375	32,668
State Police	171,076	19,360	37,605	1,232	229,274
Commerce	103,489	20,966	94,657	(778)	218,335
Labor	80,732	37,501	193,937	(48)	312,122
Licensing and Regulation	13,028	756	10,949	-	24,734
Natural Resources	120,332	76,038	142,465	709	339,546
Agriculture	28,862	11,332	33,573	419	74,188
Items Not Assigned to Departments	-	-	-	-	-
TOTAL	$ 6,983,734	$ 609,640	$ 5,276,629	$ -	$12,870,004

*Unused spending authority which does not lapse has been broken into two categories:

Timing differences are subtracted from Gross Authorizations in order to show an annualized Budget that is comparable to the current year's Actual uses. Timing differences consist of unused authorizations for multiyear projects, such as capital outlay and work projects, and also restricted revenues which were not available for expenditure in the current year because they had not been appropriated.

Restricted revenue balances forward in the Variances category represents restricted revenue carry-overs that could have been used in the current period but were not.

NOTE: This schedule was prepared on the Statutory/Budgetary basis.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

LESS: TIMING DIFFERENCES*	"BUDGET" AS PRESENTED IN STATEMENTS	"ACTUAL" EXPENDED AND TRANSFERRED	"ACTUAL" ENCUMBERED BALANCES FORWARD	"FAVORABLE VARIANCES" RESTRICTED REVENUE BALANCES FORWARD*	"FAVORABLE VARIANCES" LAPSED	"UNFAVORABLE VARIANCES" OVER EXPENDED
$ 13,869	$ 116,605	$ 110,729	$ 3,130	$ 1,888	$ 946	$ 89
661	142,463	140,905	1,443	-	114	-
-	4,031	3,777	-	-	253	-
192,133	1,294,167	1,285,786	1,477	3,251	3,663	9
14	30,173	29,570	71	-	531	-
169	12,422	12,132	40	-	250	-
-	21,247	19,430	533	-	1,283	-
1,638	114,385	110,295	1,491	1,509	1,089	-
26,367	191,471	181,605	1,908	1,210	6,747	-
6,023	1,080,952	1,077,101	967	-	3,005	123
34,978	1,294,065	1,293,718	105	-	242	-
6,286	358,847	351,061	7,216	54	4,566	4,051
27,574	1,165,266	1,172,846	3,505	3,673	12,710	27,469
35,698	4,677,769	4,690,297	14,475	-	39,298	66,301
109,224	680,624	687,449	2,155	7	1,093	10,081
5,142	27,526	25,166	445	1,320	611	17
17,883	211,390	205,479	1,184	1,449	3,452	175
13,253	205,081	187,024	15,206	140	2,711	1
6,014	306,108	274,880	19,086	9,430	3,474	763
-	24,734	23,857	444	44	391	4
56,885	282,660	248,533	17,060	10,934	6,781	650
5,466	68,721	59,686	3,466	4,464	1,108	3
-	-	14,667	-	-	-	14,667
$ 559,286	$12,310,718	$12,206,002	$ 95,418	$ 39,381	$ 94,326	$ 124,411

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STATISTICAL SECTION

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STATISTICAL DATA

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STATE OF MICHIGAN
REQUIRED SUPPLEMENTARY HISTORICAL TREND INFORMATION
LEGISLATIVE RETIREMENT SYSTEM
LAST FIVE YEARS
SEPTEMBER 30, 1989
(In Millions)

I Analysis of Funding Progress

Fiscal Year	Net Assets* Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1984-1985	$39.2	$41.2	95.1%	$2.0	$4.9	40.8%
1985-1986	43.4	44.8	96.9	1.4	5.4	25.9
1986-1987	49.4	53.0	93.2	3.6	5.7	63.2
1987-1988	51.5	57.1	90.2	5.5	5.9	93.2
1988-1989	56.7	63.2	89.6	6.5	6.3	103.5

II Revenues by Source and Expenses (and Operating Transfers Out) by Type

Revenues By Source

Fiscal Year	Employee Contributions		Employer Contributions			Investment Income	Other Income	Total
			Dollar Amount		Pensions as % of Covered Payroll			
	Pensions	Insur. Benefits	Other	Pensions				
1984-1985	$ .2	$ .1	$ .9	$1.4	28.6%	$3.9	$.1	$6.3
1985-1986	.3	.1	.9	1.5	27.8	3.6	-	6.4
1986-1987	.3	.1	1.0	1.6	28.1	5.5	.1	8.6
1987-1988	.5	.1	.9	1.9	31.8	1.9	-	5.3
1988-1989	.4	.1	.9	2.2	34.9	4.9	.2	8.6

Expenses (and Operating Transfers Out) By Type

Fiscal Year	Benefits	Administration Expenses	Refunds	Other	Total
1984-1985	$2.0	$ .1	$ -	$ -	$ 2.1
1985-1986	2.0	.2	-	-	2.2
1986-1987	2.3	.3	-	-	2.6
1987-1988	2.8	.3	-	-	3.2
1988-1989	3.1	.3	-	-	3.4

Schedule I demonstrates the progress the fund has made in accumulating sufficient assets to pay benefits when due. Since both the unfunded pension benefit obligation and the annual covered payroll are affected by inflation, the calculation of the unfunded pension benefit obligation as a percent of covered payroll provides information for analysis which substantially adjusts for inflation.

Schedule II presents revenues by source and expenses by type. Contributions were made in accordance with actuarially determined contribution requirements unless specifically identified.

Information for fiscal years prior to 1984-85 is not available. Each year these schedules will be expanded until they present 10 years of information.

*at cost

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
REQUIRED SUPPLEMENTARY HISTORICAL TREND INFORMATION
STATE POLICE RETIREMENT SYSTEM
LAST FIVE YEARS
SEPTEMBER 30, 1989
(In Millions)

I Analysis of Funding Progress

Fiscal Year	Net Assets* Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1984-1985	$234.3	$339.7	70.0%	$105.4	$ 69.4	151.9%
1985-1986	276.7	367.9	75.2	91.2	74.0	123.2
1986-1987	326.2	415.3	78.5	89.1	77.4	115.1
1987-1988	351.3	434.9	80.8	83.6	82.3	101.6
1988-1989	385.4	465.4	82.8	80.0	85.9	93.1

II Revenues by Source and Expenses (and Operating Transfers Out) by Type

Revenues By Source

Fiscal Year	Employee Contributions	Employer Contributions - Dollar Amount: Health Benefits	Employer Contributions - Dollar Amount: Pensions	Pensions as % of Covered Payroll	Investment Income	Other Income	Total
1984-1985	$ -	$ -	$19.4	28.0%	$21.8	$ -	$41.2
1985-1986	-	-	15.6	21.1	32.5	-	48.1
1986-1987	.1	-	19.6	25.3	45.4	-	65.1
1987-1988	-	-	16.6	20.1	26.3	-	42.9
1988-1989	.1	3.5	16.2	18.9	35.0	-	54.8

Expenses (and Operating Transfers Out) By Type

Fiscal Year	Benefits	Administration Expenses	Refunds	Other	Total
1984-1985	$12.0	$ .1	$ -	$ -	$12.1
1985-1986	12.4	.2	-	-	12.6
1986-1987	15.3	.3	-	-	15.5
1987-1988	17.6	.3	-	-	17.8
1988-1989	20.5	.2	-	-	20.7

Schedule I demonstrates the progress the fund has made in accumulating sufficient assets to pay benefits when due. Since both the unfunded pension benefit obligation and the annual covered payroll are affected by inflation, the calculation of the unfunded pension benefit obligation as a percent of covered payroll provides information for analysis which substantially adjusts for inflation.

Schedule II presents revenues by source and expenses by type. Contributions were made in accordance with actuarially determined contribution requirements unless specifically identified.

Information for fiscal years prior to 1984-85 is not available. Each year these schedules will be expanded until they present 10 years of information.

*at cost

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
REQUIRED SUPPLEMENTARY HISTORICAL TREND INFORMATION
STATE EMPLOYEES' RETIREMENT SYSTEM
LAST FIVE YEARS
SEPTEMBER 30, 1989
(In Millions)

I Analysis of Funding Progress

Fiscal Year	Net Assets* Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Assets in Excess of) Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1984-1985	$2,349.5	$2,480.8	94.7%	$131.3	$1,516.0	8.7%
1985-1986	2,668.6	2,641.0	101.0	(27.6)	1,643.3	(1.7)
1986-1987	3,105.2	3,088.6	100.5	(16.6)	1,820.8	(.9)
1987-1988	3,383.2	3,386.8	99.9	3.6	1,945.7	.2
1988-1989	3,655.1	3,785.9	96.5	130.8	2,059.0	6.4

II Revenues by Source and Expenses (and Operating Transfers Out) by Type

Revenues By Source

Fiscal Year	Employee Contributions	Employer Contributions			Investment Income	Other Income	Total
		Dollar Amount		Pensions as % of Covered Payroll			
		Health Benefits	Pensions				
1984-1985	$1.4	$ 32.2	$188.4	12.4%	$213.6	$ -	$435.6
1985-1986	1.7	32.0	197.8	12.0	306.1	-	537.6
1986-1987	2.4	31.9	195.8	10.8	434.6	-	664.6
1987-1988	4.5	36.8	161.7	8.3	257.9	-	460.9
1988-1989	3.1	52.8	109.2	5.3	340.9	-	506.1

Expenses (and Operating Transfers Out) By Type

Fiscal Year	Benefits	Administration Expenses	Refunds	Other	Total
1984-1985	$152.4	$2.4	$ .2	$ -	$155.0
1985-1986	215.8	2.4	.3	-	218.5
1986-1987	225.4	2.5	.2	-	228.1
1987-1988	180.1	2.6	.2	-	182.9
1988-1989	231.5	2.5	.2	-	234.2

Schedule I demonstrates the progress the fund has made in accumulating sufficient assets to pay benefits when due. Since both the unfunded pension benefit obligation and the annual covered payroll are affected by inflation, the calculation of the unfunded pension benefit obligation as a percent of covered payroll provides information for analysis which substantially adjusts for inflation.

Schedule II presents revenues by source and expenses by type. Contributions were made in accordance with actuarially determined contribution requirements unless specifically identified.

Information for fiscal years prior to 1984-85 is not available. Each year these schedules will be expanded until they present 10 years of information.

*at cost

2023673624

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
REQUIRED SUPPLEMENTARY HISTORICAL TREND INFORMATION
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
LAST FIVE YEARS
SEPTEMBER 30, 1989
(In Millions)

I Analysis of Funding Progress

Fiscal Year	Net Assets* Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1984-1985	$ 7,908.1	$ 9,621.0	82.2%	$1,712.9	$4,220.3	40.6%
1985-1986	8,890.6	10,525.6	84.5	1,635.0	4,561.4	35.8
1986-1987	10,178.5	13,021.9	78.2	2,843.3	4,749.9	59.9
1987-1988	11,142.3	14,679.1	75.9	3,536.8	5,274.2	67.1
1988-1989	12,251.4	16,769.2	73.1	4,517.9	5,399.3	83.7

II Revenues by Source and Expenses (and Operating Transfers Out) by Type

Revenues By Source

Fiscal Year	Employee Contributions	Employer Contributions			Investment Income	Other Income	Total
		Dollar Amount		Pensions as % of Covered Payroll			
		Health Benefits	Pensions				
1984-1985	$ 6.0	$ -	$532.7	12.6%	$ 715.3	$ -	$1,254.0
1985-1986	16.8	158.9	408.9	9.0	1,028.1	-	1,612.8
1986-1987	100.4	133.9	381.6	8.0	1,472.0	-	2,087.8
1987-1988	141.6	87.7	509.4	9.7	851.7	-	1,590.4
1988-1989	157.3	122.6	443.7	8.2	1,137.1	-	1,860.7

Expenses (and Operating Transfers Out) By Type

Fiscal Year	Benefits	Administration Expenses	Refunds	Other	Total
1984-1985	$371.0	$6.3	$2.2	$ -	$379.5
1985-1986	621.0	7.5	1.8	-	630.3
1986-1987	791.2	7.2	1.5	-	799.9
1987-1988	616.9	8.2	1.6	-	626.6
1988-1989	742.0	8.3	1.4	-	751.7

Schedule I demonstrates the progress the fund has made in accumulating sufficient assets to pay benefits when due. Since both the unfunded pension benefit obligation and the annual covered payroll are affected by inflation, the calculation of the unfunded pension benefit obligation as a percent of covered payroll provides information for analysis which substantially adjusts for inflation.

Schedule II presents revenues by source and expenses by type. Contributions were made in accordance with actuarially determined contribution requirements unless specifically identified.

Information for fiscal years prior to 1984-85 is not available. Each year these schedules will be expanded until they present 10 years of information.

*at cost

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
REQUIRED SUPPLEMENTARY HISTORICAL TREND INFORMATION
PROBATE JUDGES' RETIREMENT SYSTEM
LAST FIVE YEARS
SEPTEMBER 30, 1989
(In Millions)

I Analysis of Funding Progress

Fiscal Year	Net Assets* Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1984-1985	$11.8	$16.3	72.4%	$4.5	$4.2	107.1%
1985-1986	13.2	17.6	75.0	4.4	4.1	107.3
1986-1987	15.0	19.9	75.4	4.9	4.7	104.3
1987-1988	15.8	21.1	74.9	5.3	4.5	117.7
1988-1989	16.7	22.1	75.7	5.4	3.9	138.5

II Revenues by Source and Expenses (and Operating Transfers Out) by Type

Revenues By Source

Fiscal Year	Employee Contributions	Employer Contributions: Dollar Amount	Employer Contributions: % of Covered Payroll	Investment Income	Other Income	Total
1984-1985	$ .2	$ .8	19.0%	$ 1.1	$ -	$ 2.0
1985-1986	.2	.8	19.5	1.4	-	2.4
1986-1987	.1	.8	17.0	2.1	-	3.0
1987-1988	.1	.8	17.8	1.1	-	2.0
1988-1989	.1	.7	18.7	1.6	-	2.4

Expenses (and Operating Transfers Out) By Type

Fiscal Year	Benefits	Administration Expenses	Refunds	Other	Total
1984-1985	$ .8	$ -	$ -	$ -	$ .8
1985-1986	.9	.1	-	-	1.0
1986-1987	1.0	.1	-	-	1.1
1987-1988	1.2	.1	-	-	1.3
1988-1989	1.4	.1	-	-	1.5

Schedule I demonstrates the progress the fund has made in accumulating sufficient assets to pay benefits when due. Since both the unfunded pension benefit obligation and the annual covered payroll are affected by inflation, the calculation of the unfunded pension benefit obligation as a percent of covered payroll provides information for analysis which substantially adjusts for inflation.

Schedule II presents revenues by source and expenses by type. Contributions were made in accordance with actuarially determined contribution requirements unless specifically identified.

Information for fiscal years prior to 1984-85 is not available. Each year these schedules will be expanded until they present 10 years of information.

*at cost

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
REQUIRED SUPPLEMENTARY HISTORICAL TREND INFORMATION
JUDGES' RETIREMENT SYSTEM
LAST FIVE YEARS
SEPTEMBER 30, 1989
(In Millions)

I Analysis of Funding Progress

Fiscal Year	Net Assets* Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1984–1985	$ 64.2	$ 85.6	75.0%	$21.4	$25.6	83.6%
1985–1986	75.5	93.3	80.9	17.8	27.4	65.0
1986–1987	90.2	112.9	79.9	22.7	31.1	73.0
1987–1988	100.4	124.1	80.9	23.7	34.1	69.5
1988–1989	113.1	133.3	84.8	20.2	37.1	54.4

II Revenues by Source and Expenses (and Operating Transfers Out) by Type

Revenues By Source

Fiscal Year	Employee Contributions	Employer Contributions: Dollar Amount	Employer Contributions: % of Covered Payroll	Investment Income	Other Income	Total
1984–1985	$1.7	$6.2	24.2 %	$ 5.7	$ -	$13.6
1985–1986	1.8	6.8	24.8	8.3	-	16.8
1986–1987	2.0	6.9	22.2	12.3	-	21.3
1987–1988	2.2	6.0	17.1	7.4	-	15.5
1988–1989	2.3	6.5	17.6	10.0	-	18.9

Expenses (and Operating Transfers Out) By Type

Fiscal Year	Benefits	Administration Expenses	Refunds	Other	Total
1984–1985	$3.8	$.1	$ -	$1.8	$5.8
1985–1986	3.8	.1	-	1.6	5.4
1986–1987	5.0	.2	-	1.4	5.7
1987–1988	5.1	.2	-	-	5.4
1988–1989	5.8	.2	.1	-	6.1

Schedule I demonstrates the progress the fund has made in accumulating sufficient assets to pay benefits when due. Since both the unfunded pension benefit obligation and the annual covered payroll are affected by inflation, the calculation of the unfunded pension benefit obligation as a percent of covered payroll provides information for analysis which substantially adjusts for inflation.

Schedule II presents revenues by source and expenses by type. Contributions were made in accordance with actuarially determined contribution requirements unless specifically identified.

Information for fiscal years prior to 1984–85 is not available. Each year these schedules will be expanded until they present 10 years of information.

*at cost

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
REVENUE, BOND PROCEEDS, AND CAPITAL LEASE ACQUISITIONS
GENERAL AND SPECIAL REVENUE FUNDS – STATE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1989
(In Thousands)

SOURCE	1979-1980	1980-1981	1981-1982	1982-1983
TAXES:				
Sales	$ 1,503,972	$ 1,594,970	$ 1,570,630	$ 1,698,983
Personal Income	1,912,044	2,036,016	2,162,858	2,770,377
Single Business	1,076,010	942,249	943,148	1,041,745
Use Tax	232,319	245,689	247,358	279,516
Liquor, Beer, Wine, and Cigarette Tax	229,104	243,254	279,778	331,975
Telephone and Telegraph Company Tax	93,828	98,773	105,195	107,984
Insurance Company Taxes	148,569	110,972	104,253	101,573
Motor Vehicle and Fuel Tax	713,455	652,121	671,429	704,118
Other Taxes	217,094	270,973	286,539	301,159
TOTAL TAXES	6,126,400	6,195,020	6,371,191	7,337,434
FEDERAL AGENCIES	2,452,370	2,602,459	2,635,608	2,770,046
LOCAL AGENCIES	52,137	71,149	119,144	140,48[illegible]
SERVICES	50,039	55,827	59,779	62,511
LICENSES AND PERMITS	118,772	126,897	123,053	129,253
MISCELLANEOUS	229,929	229,039	195,383	142,791
TOTAL REVENUE	9,029,649	9,280,393	9,504,160	10,582,524
PROCEEDS FROM BOND ISSUES	106,329	64,010	-	132,186
CAPITAL LEASE ACQUISITIONS	-	-	-	-
TOTAL REVENUE, BOND PROCEEDS, AND CAPITAL LEASE ACQUISITIONS	$ 9,135,978	$ 9,344,403	$ 9,504,160	$10,714,710

NOTES: This schedule was prepared on the Statutory/Budgetary basis for years prior to 1981-82, and on the Generally Accepted Accounting Principles (GAAP) basis for years subsequent to 1980-81.

The recording of capital lease acquisitions began in 1984-85 and prior year amounts are not available.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

1983-1984	1984-1985	1985-1986	1986-1987	1987-1988	1988-1989
$ 1,924,996	$ 2,142,624	$ 2,283,138	$ 2,348,446	$ 2,474,963	$ 2,615,208
3,189,705	3,311,680	3,153,952	3,350,297	3,573,727	3,766,158
1,280,547	1,378,424	1,526,598	1,497,622	1,828,702	1,845,443
317,332	341,400	390,839	397,800	418,969	475,855
331,881	334,530	330,842	332,528	377,401	378,806
113,073	110,236	116,880	122,801	128,589	138,734
103,411	116,994	148,551	140,093	43,881	76,601
828,555	981,431	1,004,476	1,024,709	1,049,558	1,090,727
316,232	240,704	315,524	377,432	389,746	463,359
8,405,736	8,958,026	9,270,804	9,591,730	10,285,539	10,850,896
3,030,149	3,190,771	3,498,625	3,613,402	3,714,726	3,861,766
122,772	118,064	127,566	134,251	151,811	141,089
53,625	92,459	112,844	101,040	103,565	105,581
137,557	147,879	151,617	175,572	216,490	251,810
220,590	314,287	445,957	392,736	382,518	448,856
11,970,430	12,821,486	13,607,416	14,008,735	14,854,652	15,660,001
107,714	32,875	7,518	-	300	3,400
-	25,071	9,100	12,246	26,490	57,249
$12,078,144	$12,879,434	$13,624,035	$14,020,981	$14,881,443	$15,720,651

2023673629

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL AND SPECIAL REVENUE FUNDS - STATE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1989
(In Thousands)

	1979-1980	1980-1981	1981-1982	1982-1983
Current:				
General government	$ 345,064	$ 393,324	$ 487,728	$ 437,401
Education	3,121,272	2,949,451	2,740,003	3,002,609
Health and welfare	3,032,898	3,284,977	3,591,335	3,770,789
Public safety and corrections	309,790	338,269	361,914	374,122
Conservation, recreation, and agriculture	171,834	169,721	174,602	185,585
Labor, commerce, and regulatory	347,309	416,901	387,837	444,322
Mental health	537,906	714,708	627,201	630,294
Transportation	669,645	659,516	669,724	667,677
Items not assigned to a function	667,014	-	8,238	64,370
Capital outlay	443,852	329,670	388,955	278,075
Intergovernmental - revenue sharing	-	542,232	525,124	595,097
Debt service - capital lease payments	-	-	-	-
Total Expenditures	$ 9,646,589	$ 9,798,774	$ 9,962,661	$10,450,343

NOTE: This schedule was prepared on the statutory/budgetary basis for years prior to 1981-82, and on the Generally Accepted Accounting Principles (GAAP) basis for years subsequent to 1980-81.

For years prior to 1980-81, "Intergovernmental - revenue sharing" was included in "Items not assigned to a function."

The recording of payments on capital leases as debt service expenditures began in 1984-85 and comparable prior year numbers are not available.

2023673630

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

1983-1984	1984-1985	1985-1986	1986-1987	1987-1988	1988-1989
$ 497,204	$ 536,658	$ 615,666	$ 610,583	$ 724,562	$ 742,936
3,269,098	3,629,377	4,055,335	4,275,186	4,547,950	4,620,323
4,042,865	4,187,289	4,471,975	4,636,720	4,784,690	5,043,127
424,621	485,832	573,394	687,719	774,301	879,120
182,347	214,510	253,893	270,509	291,564	297,720
501,165	523,445	535,803	595,868	596,703	610,344
711,658	815,537	903,129	1,022,501	1,100,307	1,164,363
782,802	840,177	853,218	904,401	958,246	1,031,773
6,913	2,728	121	57	2	6
406,988	428,598	588,524	616,875	571,573	521,922
674,312	761,748	831,087	879,238	963,279	1,021,119
-	17,879	20,858	25,987	35,183	43,347
$11,499,978	$12,443,785	$13,703,009	$14,525,650	$15,348,364	$15,976,107

2023673631

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS
LAST TEN YEARS
SEPTEMBER 30, 1989
(In Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST AND FISCAL CHARGES	TOTAL DEBT SERVICE EXPENDITURES	TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS	RATIO OF DEBT SERVICE EXPENDITURES TO GENERAL FUND EXPENDITURES AND TRANSFERS
1979-1980	34,984	21,085	56,069	7,563,326	.74%
1980-1981	33,885	17,341	51,227	7,482,732	.68
1981-1982	40,279	16,579	56,859	7,516,015	.76
1982-1983	43,000	14,471	57,471	8,143,129	.71
1983-1984	41,000	12,367	53,367	9,051,729	.59
1984-1985	44,418	12,185	56,603	9,724,446	.58
1985-1986	51,200	12,911	64,111	10,512,879	.60
1986-1987	40,300	10,929	51,229	11,139,168	.46
1987-1988	28,500	8,410	36,910	11,750,067	.32
1988-1989	26,500	6,643	33,143	12,206,003	.27

NOTE: Principal and interest on short-term general obligation notes are not included in this bonded debt schedule.

This schedule was prepared on the Statutory/Budgetary basis.

2023673632

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS
SEPTEMBER 30, 1989
(In Thousands)

FISCAL YEAR	POPULATION*	GROSS BONDED DEBT	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	NET BONDED DEBT PER CAPITA (IN DOLLARS)
1979-1980	9,241	439,100	6,179	432,920	46.85
1980-1981	9,196	409,600	5,837	403,762	43.91
1981-1982	9,099	361,000	6,204	354,795	38.99
1982-1983	9,056	309,300	7,960	301,339	33.28
1983-1984	9,107	259,300	3,132	256,167	28.13
1984-1985	9,137	241,700	2,607	239,092	26.17
1985-1986	9,160	198,000	5,669	192,330	20.99
1986-1987	9,210	157,700	2,413	155,287	16.86
1987-1988	9,315	129,500	3,953	125,547	13.48
1988-1989	9,319	106,400	5,444	100,956	10.83

*SOURCE: Federal Bureau of the Census and Michigan Department of Management and Budget.

2023673633

Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN
DEBT SERVICE COVERAGE
COMPREHENSIVE TRANSPORTATION FUND RELATED BONDS
LAST TEN YEARS
September 30, 1989
(In Millions)

	1979-80	1980-81	1981-82	1982-83
Constitutionally Restricted Transportation Fund Revenues:				
Motor Fuel Taxes	$474.1	$446.4	$455.8	$464.4
Registration Taxes	236.2	211.0	213.5	237.7
Miscellaneous Fees	16.1	11.2	17.5	18.8
Total	726.5	668.6	686.8	720.9
Less Deductions	52.6	52.1	50.2	58.9
Remaining Balance	673.9	616.5	636.6	662.0
Portion of Balance Credited to Comprehensive Transportation Fund (excluding interest)	56.4 (1)	52.3 (1)	52.1	63.8
100% of Net Aircraft Fuel Taxes	4.7 (2)	4.2 (2)	3.9 (2)	-
Motor Vehicle Related Sales Tax Revenues	$342.7	$362.8	$363.7	$412.8
Allocation to Comprehensive Transportation Fund	21.2	24.0	25.4	24.5
Constitutionally Restricted Revenues Credited to Comprehensive Transportation Fund	82.3	80.5	81.4	88.3
Plus Other Revenues (primarily interest)	- (3)	- (3)	9.0	4.7
Money Available for Debt Service	82.3	80.5	90.4	93.0
Actual Annual Debt Service (4)	6.8	9.8	16.4	16.2
Debt Service Coverage	12.1x	8.21x	5.51x	5.74x

(1) The "Portion of Balance of Transportation Fund" revenues credited to the Comprehensive Transportation Fund for fiscal years 1979-80 and 1980-81 include interest.

(2) Net aircraft fuel taxes, licenses and other revenues are included in "Money Available for Debt Service" in fiscal years 1979-80, 1980-81, and 1981-82. Beginning in fiscal year 1982-83, net aircraft fuel taxes, licenses and other revenues are deposited directly in the Aeronautics Fund.

(3) "Money Available for Debt Service" does not include "Plus Other Revenues (primarily interest)" for fiscal years 1979-80 and 1980-81.

(4) The above table does not include debt service on refunded bonds.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

Source: https://www.industrydocuments.ucsf.edu/docs/qqjl0000

1983–84	1984–85	1985–86	1986–87	1987–88	1988–89
$570.7	$616.4	$644.7	$656.2	$ 681.6	$ 680.0
255.9	286.7	300.0	315.6	363.2	397.0
20.4	24.4	25.4	23.6	46.0	63.5
847.0	927.5	970.1	995.4	1,090.9	1,140.5
56.7	61.6	68.2	69.7	76.2	83.3
790.3	865.9	901.9	925.7	1,014.6	1,057.2
78.5	87.4	90.3	92.6	101.7	105.5
$511.2	$590.7	$619.6	$593.3	$ 606.2	637.2
35.7	41.3	43.2	41.4	42.3	44.4
114.2	128.7	133.5	134.0	144.0	149.9
4.5	9.2	6.2	8.3	6.1	7.7
118.7	137.9	139.7	142.3	150.1	157.6
19.3	20.2	20.4	22.0	21.4	20.9
6.15x	6.83x	6.84x	6.47x	7.01x	7.54x

2023673635

STATE OF MICHIGAN
DEBT SERVICE COVERAGE
STATE TRUNKLINE FUND RELATED BONDS
LAST TEN YEARS
September 30, 1989
(In Millions)

	1979-80	1980-81	1981-82	1982-83
Constitutionally Restricted Transportation Fund Revenues:				
Motor Fuel Taxes	$474.1	$446.4	$455.8	$464.4
Registration Taxes	236.2	211.0	213.5	237.7
Miscellaneous Fees	16.1	11.2	17.5	18.8
Total	726.5	668.6	686.8	720.9
Less Deductions:				
Collection Costs	39.5	39.4	42.7	51.0
Mackinac Bridge Authority	3.5	3.5	3.5	3.5
Waterways/Recreational Improvement Fund	4.5	4.2	4.0	4.3
Comprehensive Transportation Fund (excluding interest)	55.3	50.8	51.8	63.9
Critical Bridge Fund	5.0	5.0	5.0	5.0
Economic Development Fund	-	-	-	-
Total Deductions	107.8	102.9	107.0	127.7
Constitutionally Restricted Revenues Available for Distribution	618.6	565.7	579.8	593.2
Plus Other Revenues (primarily interest)	11.4	13.0	10.1	6.4
Total Money Available for Distribution (2)	630.0	578.7	589.9	599.6
Distributions to:				
Cities and Villages (2)	130.9	122.6	123.1	124.2
County Road Commissions (2)	235.6	219.0	222.4	230.7
State Trunkline Fund (2)	260.4	241.5	244.6	247.5
State Trunkline Fund Money Available for Debt Service	260.4	241.5	244.6	247.5
Economic Development Fund Money Available for Debt Service	-	-	-	-
Total Available for Debt Service	260.4	241.5	244.6	247.5
Actual Annual Debt Service (1)	27.5	27.6	22.6	16.9
Debt Service Coverage	9.47x	8.75x	10.82x	14.64x

(1) The table above excludes amounts related to refunded bonds.

(2) Distributions to Cities and Villages, County Road Commissions, and State Trunkline for 1979-82 fiscal years may not equal Total Money Available for Distribution due to carry-overs in prior years.

SOURCE: Michigan Department of Transportation.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

1983–84	1984–85	1985–86	1986–87	1987–88	1988–89
$570.7	$616.4	$644.7	$656.2	$ 681.6	$ 680.0
255.9	286.7	300.0	315.6	363.2	397.0
20.4	24.4	25.4	23.6	46.0	63.5
847.0	927.5	970.1	995.4	1,090.8	1,140.5
48.5	52.4	57.4	62.2	66.1	70.9
3.5	3.5	3.5	-	-	-
4.8	5.7	7.3	7.5	10.1	12.4
78.5	87.4	91.1	93.3	101.7	105.5
5.0	5.0	5.0	5.0	5.0	5.0
-	-	-	-	21.6	36.8
140.3	154.0	164.3	168.0	204.5	230.6
706.7	773.5	805.8	827.3	886.3	909.9
8.2	7.3	8.0	7.1	7.6	10.1
714.9	780.8	813.8	834.4	893.9	920.0
157.0	170.3	178.7	183.4	196.8	202.0
280.2	304.5	317.1	325.5	348.7	359.0
277.7	306.0	318.0	325.5	348.4	359.0
277.7	306.0	318.0	325.5	348.4	359.0
-	-	-	-	21.6	36.8
277.7	306.0	318.0	325.4	370.0	395.8
28.7	40.6	32.8	29.3	23.7	23.7
9.68x	7.54x	9.70x	11.11x	15.61x	16.70x

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ECONOMIC AND SOCIAL DATA

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STATE OF MICHIGAN

ECONOMIC AND SOCIAL DATA

GENERAL INFORMATION

On January 26, 1837, Michigan was admitted to the Union as the twenty-sixth state. It is located in the East North Central Census Region and is bordered by Canada and the states of Ohio, Indiana, and Wisconsin. Michigan contains 57,022 square miles of land mass (exclusive of 1,194 square miles of inland water and 38,575 square miles of great lakes water area) with 3,288 miles of shoreline on four of the five great lakes. A combined water and land area of 96,791 square miles makes it the tenth largest state.

POPULATION

The following table presents population trends for Michigan for the last ten years, estimated at September 30 (in thousands):

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Population.....	9,241	9,196	9,099	9,056	9,107	9,137	9,160	9,210	9,315	9,319
Percent Change.....	(.2%)	(.5%)	(1.1%)	(.5%)	.6%	.3%	.3%	.5%	1.1%	.0%

Source:

U.S. Bureau of the Census (adjusted to September 30 by the Office of Revenue and Tax Analysis, Michigan Department of Management and Budget).

WEALTH

The following table presents per capita income, retail sales, taxable property, and bank deposits data during the years 1979-1988:

	Per Capita Income (a)		Retail Sales (b) (In Millions)		Taxable Property Value (c) (In Millions)	Bank Deposits (d) (In Millions)
YEAR	MI	U.S.	MI	U.S.	MI	MI
1979	$ 9,575	$ 9,033	$36,776	$ 896,841	$ 72,528	$46,788
1980	10,165	9,919	37,337	957,350	82,646	62,905
1981	10,866	10,949	39,154	1,038,698	92,059	65,735
1982	11,101	11,480	38,031	1,069,278	98,210	68,312
1983	11,866	12,098	41,563	1,168,372	98,344	75,852
1984	13,030	13,114	45,702	1,282,589	100,171	80,919
1985	14,002	13,896	50,913	1,367,322	102,796	86,983
1986	14,876	14,596	54,590	1,437,497	106,242	93,960
1987	15,558	15,472	56,289	1,510,579	111,255	97,257
1988	16,552	16,489	59,592	1,612,614	119,090	102,615

Sources:

(a) U.S. Department of Commerce, Bureau of Economic Analysis.
(b) U.S. Department of Commerce, Bureau of the Census.
(c) State of Michigan, Department of Treasury, Property Tax Division.
(d) State of Michigan, Department of Commerce, Financial Institutions Bureau. The amounts shown include state and national banks, state and federal (but not federal before 1980) credit unions, and state and federal (but not federal before 1980) savings and loan associations.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000

STATE OF MICHIGAN

ECONOMIC AND SOCIAL DATA (Continued)

EMPLOYMENT

The following table presents employment data (expressed in thousands) for the State of Michigan for the calendar years 1979–1988:

Year	Total Labor Force	Total Employment	Unemployment	Unemployment Rate
1979	4,314	3,979	335	7.8%
1980	4,293	3,759	534	12.4%
1981	4,306	3,777	529	12.3%
1982	4,277	3,616	661	15.5%
1983	4,286	3,678	608	14.2%
1984	4,347	3,860	486	11.2%
1985	4,352	3,920	433	9.9%
1986	4,391	4,005	385	8.8%
1987	4,529	4,159	370	8.2%
1988	4,580	4,232	348	7.6%

Wage and salary employment for calendar years 1984–1988 consisted of the following (in thousands):

Wage and Salary Employment

	1984	1985	1986	1987	1988
Manufacturing					
Durable Goods:					
Lumber & Wood	12.2	12.7	13.2	14.3	[illegible]
Furniture & Fixtures	24.8	26.7	28.2	31.3	[illegible]
Stone, Clay and Glass Products	17.3	17.4	17.5	17.8	[illegible]
Primary Metals	53.6	52.0	49.9	48.6	47.[illegible]
Fabricated Metals	118.6	124.5	122.8	119.0	117.[illegible]
Nonelectric Machinery	129.4	134.1	132.6	123.[illegible]	119.[illegible]
Electric Machinery	34.1	36.1	37.7	37.[illegible]	35.2
Transportation Equipment	343.7	361.3	359.7	337.6	314.1
Other Durables	21.6	22.2	21.7	22.6	23.3
Total Durable Goods	755.3	787.0	783.3	751.6	723.4
Nondurable Goods:					
Food & Kindred	45.8	45.8	45.5	45.2	44.8
Textiles & Apparel	20.8	22.6	22.9	22.5	21.9
Paper & Allied Products	21.1	21.3	21.1	21.1	21.1
Printing & Publication	36.7	37.9	38.5	40.0	42.3
Chemicals & Petroleum	43.0	43.5	42.3	43.0	43.8
Other Nondurables	40.2	44.3	46.8	49.1	49.9
Total Nondurables	207.6	215.4	217.1	220.9	223.8
Total Manufacturing	962.8	1,002.4	1,000.4	972.5	947.2
Nonmanufacturing					
Construction	92.7	107.8	115.2	123.3	133.4
Transportation, Communications and Utilities	140.2	145.9	149.0	152.3	154.7
Wholesale Trade	166.3	174.6	180.9	186.2	188.1
Retail Trade	579.5	617.4	638.7	674.4	700.1
Finance, insurance and Real Estate	154.4	163.3	171.0	179.6	185.4
Services	708.0	759.5	793.8	826.0	853.1
Mining	10.0	9.9	9.6	9.9	10.5
Total Nonmanufacturing	1,851.0	1,978.4	2,058.4	2,151.7	2,225.3
Government	567.2	580.7	598.6	611.6	625.2
Total Wage and Salary Employment	3,381.0	3,561.5	3,657.3	3,735.8	3,797.7

Source: Michigan Employment Security Commission.

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Source: https://www.industrydocuments.ucsf.edu/docs/gqjl0000